

03/26/13

HCR 6

and HJR

12

<TARGET><BILL>HCR 6</BILL><SUBJECT>03-26-13 HCR 6 and HJR
12</SUBJECT><COMM>HEDT28</COMM></TARGET>

Alaska State Legislature

Representative Shelley Hughes, Chair

Session Address:

Alaska State Capitol, Room 409

Juneau, Alaska 99801-1182

Phone: (907) 465-3743

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House District 8



Representative Lynn Gattis

Representative Bob Herron

Representative Pete Higgins

Representative Craig Johnson

Representative Kurt Olson

Representative Lance Pruitt

Representative Harriet Drummond

Representative Geran Tarr

House Special Committee on Economic Development, Trade and Tourism

AGENDA

March 26, 2013

- **Call to Order**

~Gavel~ Welcome to House Economic Development, Trade and Tourism Committee. The meeting is called to order. The time is _____. Welcome, everyone. Thanks to LIO monitor, _____, and our recording secretary, Debbie, and to committee aide, Ginger Blaisdell.

- **Roll Call and Agenda**

For the record, in attendance are: (representative xx, representative xx,... and representative xx – and remember to include self!)

- **HCR6 Unmanned Aircraft**

- **Documents were provided at the March 21 meeting along with a presentation by Ro Bailey, Deputy Director of the Alaska Center for Unmanned Aircraft Systems Integration**

- Before us is House Concurrent Resolution 6 number 28-LS0655 version U Establishing a Legislative Task Force on Unmanned Aircraft.
- We heard the presentation from Ro Bailey last week that supports the statements made in the resolution. Following the presentation, my staff reviewed the resolution and made some adjustments to flow of the document and removed redundancies. A Committee Substitute has been provided in your packets.
- Ask for the CS to be adopted for consideration.
- ___ adopt Committee Substitute for House Concurrent Resolution 6 number 28-LS0655 version U with a zero fiscal note.
- My staff Ginger Blaisdell will discuss the changes made to HCR6
- Are there any questions of the committee?

- We will now open the meeting for public testimony on HCR6 – please keep your remarks to ___ minutes.
 - **Public testimony**
 1. **Steve Colligan**
 2. **Ro Bailey**
- We will now close public testimony.
- Are there any further remarks from the committee?
- What is the will of the committee?
- ___ move Committee Substitute for House Concurrent Resolution 6 number 28-LS0655 version U with a zero fiscal note and individual recommendations.
- **Take a couple of minutes to sign the bill file**
 - **HJR12 Gun Manufacturing**
 - **Documents were delivered to each office yesterday and packets are available for the public**
 - Before us is House Joint Resolution 12 number 28-LS0619 version A Encouraging the manufacture of firearms and firearms accessories in the state.
 - Representative Chennault and/or Tom Wright will speak to the bill
 - Are there any questions of the committee?
 - We will now open the meeting for public testimony on HJR12 – please keep your remarks to ___ minutes.
 - **Public testimony**
 -
 - We will now close public testimony.
 - Are there any further remarks from the committee?
 - What is the will of the committee?
 - ___ move House Joint Resolution 12 number 28-LS0619 version A with a zero fiscal note and individual recommendations
- **Calendar Review**
 - **Thursday, March 28 presentation on Arctic Economic Development Opportunities**
We will have a number of short remarks from Rep Herron, Staff from Senator Begich’s office, Institute of the North, and the Department of Commerce, Community and Economic Development.

Thursday may be the final meeting of the EDTT committee – no further presentations are scheduled but we will meet if any legislation is referred to committee.

- **EDTT committee Tour of Alaska**
 - June 4-6 (Tuesday through Thursday)
 - Tuesday early morning – Anchorage bus to Talkeetna
 - Talkeetna optional river raft, flight seeing, etc.
 - O/N Denali Princess hotel
 - Wednesday morning free
 - Afternoon tour of Usibelli
 - Dinner on Riverboat Discovery
 - O/N Fairbanks Princess or flight to Anchorage
 - Thursday optional tour of Fairbanks or flight to Anchorage
 - How many members, spouses and family, and committee staff?
 - Is this week impossible for most members? Is another Tu-Th week in June better?

- **Adjourn**

ALASKA STATE LEGISLATURE

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Representative Shelley Hughes
House District 8 - Greater Palmer

House Special Committee Economic Development Trade and Tourism
State Capitol, Room 409
Juneau, AK 99801

HCR6 Unmanned Aircraft Task Force

Sponsor Statement

March 19, 2013

HCR6 recognizes the accomplishments of the University of Alaska Fairbanks, Center for Unmanned Aircraft Systems Integration and the research conducted to advance this technology in a safe manner. The research team at the Center has proven that unmanned aircraft can complete tasks more efficiently than traditional means, provide better information, and reduce life safety risks to animals and humans.

HCR6 also recognizes that with new technology comes the need to revisit certain laws to ensure the safety of our citizens and protect their privacy. This resolution forms a task force made up of legislators, government officials, and industry members. The task force will consider recommendations for privacy, appropriate use, and possible remedies for misuse. A preliminary report to the legislature is due in January 2014 and a final report of recommendations due January 2015.

While national news has sparked debate regarding the privacy concerns and the use of "drones" in U.S. National Airspace, Alaska has responsibly used unmanned aircraft for more than ten years. Some privacy concerns are due to limited understanding of this technology and some concerns are justified. The task force will consider regulation already in place by the Federal Aviation Administration and industry codes of conduct while reviewing Alaska state laws to determine the changes that may be necessary to protect the privacy of all Alaskans.

28-LS0655\N
Gardner
3/23/13

CS FOR HOUSE CONCURRENT RESOLUTION NO. 6(EDT)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-EIGHTH LEGISLATURE - FIRST SESSION

BY THE HOUSE SPECIAL COMMITTEE ON ECONOMIC DEVELOPMENT, TRADE, AND TOURISM

Offered:
Referred:

Sponsor(s): REPRESENTATIVES HUGHES, Kawasaki, Isaacson, Pruitt

A RESOLUTION

1 **Recognizing the Alaska Center for Unmanned Aircraft Systems Integration at the**
2 **University of Alaska Fairbanks as a national leader in unmanned aircraft research and**
3 **development; and relating to a Task Force on Unmanned Aircraft Systems.**

4 **BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

5 **WHEREAS** the Unmanned Aircraft Systems Program at the University of Alaska
6 Fairbanks has, since 2001, been designing payloads and upgrades for unmanned aircraft
7 systems, testing and evaluating their safety and effectiveness, developing and demonstrating
8 new uses for various potential users, working with the Federal Aviation Administration to
9 make the use of unmanned aircraft systems safe, and developing technology to improve safety
10 and is known across the nation for its leadership in advancing the state of the art and the safe
11 use of unmanned aircraft systems; and

12 **WHEREAS** the importance of the program's work to the state was recently
13 recognized by the Board of Regents of the University of Alaska when the regents established
14 the Center for Unmanned Aircraft Systems Integration at the University of Alaska Fairbanks
15 to continue research and development of unmanned aircraft systems for the benefit of the

1 state; and

2 **WHEREAS** the legislature recognizes the Alaska Center for Unmanned Aircraft
3 Systems Integration at University of Alaska Fairbanks as the state's leader in unmanned
4 aircraft systems research, meeting the goals of industry, the Federal Aviation Administration,
5 and government operations; and

6 **WHEREAS** the legislature has provided significant financial support to the Alaska
7 Center for Unmanned Aircraft Systems Integration at University of Alaska Fairbanks to
8 further the center's research initiatives, and to increase its capabilities for use as a possible
9 Federal Aviation Administration test site; and

10 **WHEREAS** the State of Alaska, the University of Alaska, the Alaska Aerospace
11 Corporation, the Alaska Aviation Safety Project, and other public and private institutions have
12 developed cooperation with the National Aeronautics and Space Administration, the Federal
13 Aviation Administration, the United States Department of Interior, the United States
14 Department of Defense, and others to further advance the research, development, and use of
15 technology to benefit and support Alaskans and Americans with the safe use of unmanned
16 aircraft systems; and

17 **WHEREAS** Alaska state government and the state's business and research community
18 continue to work with the Federal Aviation Administration to promote the establishment of
19 safe unmanned aircraft system ranges onshore and offshore Alaska, which will help establish
20 procedures for the safe operation of unmanned aircraft systems in the National Airspace
21 System; and

22 **WHEREAS** the Alaska Center for Unmanned Aircraft Systems Integration, by virtue
23 of being located in Alaska, has access to an area of geographic and climatic diversity where
24 the air and surface population density is desirable for conducting research and development of
25 unmanned aircraft systems; and

26 **WHEREAS** the state has the highest per capita use of general aviation activity in the
27 nation, and Alaska aviation organizations have helped the Federal Aviation Administration
28 develop the next generation of air traffic control for the nation and the world, while making
29 major gains for the state's aviation safety in the process; and

30 **WHEREAS** unmanned aircraft systems may present a risk to privacy, but neither the
31 Federal Aviation Administration nor any other state or federal agency currently has specific

1 statutory authority to regulate privacy matters relating to unmanned aircraft systems;

2 **BE IT RESOLVED** that the Alaska State Legislature recognizes the Alaska Center
3 for Unmanned Aircraft at the University of Alaska Fairbanks as a leader in aviation
4 pioneering and further recognizes the significant benefit to the state and nation the center
5 provides in research and development of unmanned aircraft systems; and be it

6 **FURTHER RESOLVED** that the Alaska State Legislature fully supports the efforts
7 of the Alaska Center for Unmanned Aircraft Systems Integration at the University of Alaska
8 Fairbanks to become one of the nation's six test sites for unmanned aircraft systems testing
9 and research; and be it

10 **FURTHER RESOLVED** by the Alaska State Legislature that the Task Force on
11 Unmanned Aircraft Systems is created in the legislative branch and shall consist of 15
12 members, who, except for the member from the senate and the member from the house of
13 representatives, shall be appointed jointly by the president of the senate and the speaker of the
14 house of representatives, as follows:

15 (1) one senator selected by the president of the senate, who shall serve as co-
16 chair;

17 (2) one representative selected by the speaker of the house of representatives,
18 who shall serve as co-chair;

19 (3) the commissioner of transportation and public facilities or the
20 commissioner's designee;

21 (4) the commissioner of public safety or the commissioner's designee;

22 (5) the commissioner of natural resources or the commissioner's designee;

23 (6) one member representing municipal law enforcement;

24 (7) the attorney general or the attorney general's designee;

25 (8) the commissioner of fish and game or the commissioner's designee;

26 (9) the adjutant general of the Department of Military and Veterans' Affairs or
27 the adjunct general's designee;

28 (10) a member representing the Alaska Center for Unmanned Aircraft Systems
29 Integration at University of Alaska Fairbanks;

30 (11) a member of the Academy of Model Aeronautics;

31 (12) a member from the Aviation Advisory Board;

1 (13) a member from the Medallion Foundation;

2 (14) one member of the Aerospace States Association;

3 (15) one member of the Alaska UAS Interest Group; and be it

4 **FURTHER RESOLVED** that a vacancy on the task force shall be filled in the
5 manner of the original appointment; and be it

6 **FURTHER RESOLVED** that the duties of the task force shall include

7 (1) reviewing regulations and guidance from the Federal Aviation
8 Administration regarding unmanned aircraft systems;

9 (2) providing written recommendations, together with suggested legislation,
10 for a comprehensive state policy for unmanned aircraft that protects privacy and allows the
11 use of unmanned aircraft systems for public and private applications; and

12 (3) submitting, not later than January 15, 2014, an initial report to the
13 legislature and, not later than January 15, 2015, submitting a final report to the legislature;
14 and be it

15 **FURTHER RESOLVED** that the task force may meet as frequently as necessary to
16 carry out its responsibilities; and be it

17 **FURTHER RESOLVED** that the task force may meet during and between legislative
18 sessions and may request administrative and technical support from the University of Alaska
19 Fairbanks; and be it

20 **FURTHER RESOLVED** that the public members of the task force serve without
21 compensation but are entitled to per diem and travel expenses authorized for boards and
22 commissions under AS 39.20.180; and be it

23 **FURTHER RESOLVED** that the task force terminates on January 15, 2015.

adopting this industry Code of Conduct.

Supported By:





INTERNATIONAL ASSOCIATION OF CHIEFS OF POLICE

AVIATION COMMITTEE

Recommended Guidelines for the use of Unmanned Aircraft

BACKGROUND:

Rapid advances in technology have led to the development and increased use of unmanned aircraft. That technology is now making its way into the hands of law enforcement officers nationwide.

We also live in a culture that is extremely sensitive to the idea of preventing unnecessary government intrusion into any facet of our lives. Personal rights are cherished and legally protected by the Constitution. Despite their proven effectiveness, concerns about privacy threaten to overshadow the benefits this technology promises to bring to public safety. From enhanced officer safety by exposing unseen dangers, to finding those most vulnerable who may have wandered away from their caregivers, the potential benefits are irrefutable. However, privacy concerns are an issue that must be dealt with effectively if a law enforcement agency expects the public to support the use of UA by their police.

The Aviation Committee has been involved in the development of unmanned aircraft policy and regulations for several years. The Committee recommends the following guidelines for use by any law enforcement agency contemplating the use of unmanned aircraft.

DEFINITIONS:

1. **Model Aircraft** - A remote controlled aircraft used by hobbyists, which is manufactured and operated for the purposes of sport, recreation and/or competition.
2. **Unmanned Aircraft (UA)** – An aircraft that is intended to navigate in the air without an on-board pilot. Also called Remote Piloted Aircraft and “drones.”
3. **UA Flight Crewmember** - A pilot, visual observer, payload operator or other person assigned duties for a UA for the purpose of flight.
4. **Unmanned Aircraft Pilot** - A person exercising control over an unmanned aircraft during flight.

COMMUNITY ENGAGEMENT:

1. Law enforcement agencies desiring to use UA should first determine how they will use this technology, including the costs and benefits to be gained.
2. The agency should then engage their community early in the planning process, including their governing body and civil liberties advocates.
3. The agency should assure the community that it values the protections provided citizens by the U.S. Constitution. Further, that the agency will operate the aircraft in full compliance with the mandates of the Constitution, federal, state and local law governing search and seizure.
4. The community should be provided an opportunity to review and comment on agency procedures as they are being drafted. Where appropriate, recommendations should be considered for adoption in the policy.
5. As with the community, the news media should be brought into the process early in its development.

SYSTEM REQUIREMENTS:

1. The UA should have the ability to capture flight time by individual flight and cumulative over a period of time. The ability to reset the flight time counter should be restricted to a supervisor or administrator.
2. The aircraft itself should be painted in a high visibility paint scheme. This will facilitate line of sight control by the aircraft pilot and allow persons on the ground to monitor the location of the aircraft. This recommendation recognizes that in some cases where officer safety is a concern, such as high risk warrant service, high visibility may not be optimal. However, most situations of this type are conducted covertly and at night. Further, given the ability to observe a large area from an aerial vantage point, it may not be necessary to fly the aircraft directly over the target location.
3. Equipping the aircraft with weapons of any type is strongly discouraged. Given the current state of the technology, the ability to effectively deploy weapons from a small UA is doubtful. Further, public acceptance of airborne use of force is likewise doubtful and could result in unnecessary community resistance to the program.
4. The use of model aircraft, modified with cameras, or other sensors, is discouraged due to concerns over reliability and safety.

OPERATIONAL PROCEDURES:

1. UA operations require a Certificate of Authorization (COA) from the Federal Aviation Administration (FAA). A law enforcement agency contemplating the use of UA should contact the FAA early in the planning process to determine the requirements for obtaining a COA.
2. UA will only be operated by personnel, both pilots and crew members, who have been trained and certified in the operation of the system. All agency personnel with UA responsibilities, including command officers, will be provided training in the policies and procedures governing their use.
3. All flights will be approved by a supervisor and must be for a legitimate public safety mission, training, or demonstration purposes.
4. All flights will be documented on a form designed for that purpose and all flight time shall be accounted for on the form. The reason for the flight and name of the supervisor approving will also be documented.
5. An authorized supervisor/administrator will audit flight documentation at regular intervals. The results of the audit will be documented. Any changes to the flight time counter will be documented.
6. Unauthorized use of a UA will result in strict accountability.
7. Except for those instances where officer safety could be jeopardized, the agency should consider using a "Reverse 911" telephone system to alert those living and working in the vicinity of aircraft operations (if such a system is available). If such a system is not available, the use of patrol car public address systems should be considered. This will not only provide a level of safety should the aircraft make an uncontrolled landing, but citizens may also be able to assist with the incident.
8. Where there are specific and articulable grounds to believe that the UA will collect evidence of criminal wrongdoing and if the UA will intrude upon reasonable expectations of privacy, the agency will secure a search warrant prior to conducting the flight.

IMAGE RETENTION:

1. Unless required as evidence of a crime, as part of an on-going investigation, for training, or required by law, images captured by a UA should not be retained by the agency.
2. Unless exempt by law, retained images should be open for public inspection.



Unmanned Aircraft System Operations Industry "Code of Conduct"

The emergence of unmanned aircraft systems (UAS) as a resource for a wide variety of public and private applications quite possibly represents one of the most significant advancements to aviation, the scientific community, and public service since the beginning of flight. Rapid advancements in the technology have presented unique challenges and opportunities to the growing UAS industry and to those who support it. The nature of UAS and the environments which they operate, when not managed properly, can and will create issues that need to be addressed. The future of UAS will be linked to the responsible and safe use of these systems. Our industry has an obligation to conduct our operations in a safe manner that minimizes risk and instills confidence in our systems.

For this reason, the Association for Unmanned Vehicle Systems International (AUVSI), offers this Code of Conduct on behalf of the UAS industry for UAS operation. This code is intended to provide our members, and those who design, test, and operate UAS for public and civil use, a set of guidelines and recommendations for safe, non-intrusive operations. Acceptance and adherence to this code will contribute to safety and professionalism and will accelerate public confidence in these systems.

The code is built on three specific themes: Safety, Professionalism, and Respect. Each theme and its associated recommendations represent a "common sense" approach to UAS operations and address many of the concerns expressed by the public and regulators. This code is meant to provide UAS industry manufacturers and users a convenient checklist for operations and a means to demonstrate their obligation to supporting the growth of our industry in a safe and responsible manner. By adopting this Code, UAS industry manufacturers and users commit to the following:

Safety

- We will not operate UAS in a manner that presents undue risk to persons or property on the surface or in the air.
- We will ensure UAS will be piloted by individuals who are properly trained and competent to operate the vehicle or its systems.
- We will ensure UAS flights will be conducted only after a thorough assessment of risks associated with the activity. This risks assessment will include, but is not limited to:
 - Weather conditions relative to the performance capability of the system
 - Identification of normally anticipated failure modes (lost link, power plant failures, loss of control, etc) and consequences of the failures
 - Crew fitness for flight operations
 - Overlying airspace, compliance with aviation regulations as appropriate to the operation, and off-nominal procedures
 - Communication, command, control, and payload frequency spectrum requirements
 - Reliability, performance, and airworthiness to established standards

Professionalism

- We will comply with all federal, state, and local laws, ordinances, covenants, and restrictions as they relate to UAS operations.
- We will operate our systems as responsible members of the aviation community.
- We will be responsive to the needs of the public.
- We will cooperate fully with federal, state, and local authorities in response to emergency deployments, mishap investigations, and media relations.
- We will establish contingency plans for all anticipated off-nominal events and share them openly with all appropriate authorities.

Respect

- We will respect the rights of other users of the airspace.
- We will respect the privacy of individuals.
- We will respect the concerns of the public as they relate to unmanned aircraft operations.
- We will support improving public awareness and education on the operation of UAS.

As an industry, it is incumbent upon us to hold ourselves and each other to a high professional and ethical standard. As with any revolutionary technology, there will be mishaps and abuses; however, in order to operate safely and gain public acceptance and trust, we should all act in accordance with these guiding themes and do so in an open and transparent manner. We hope the entire UAS industry will join AUVSI in

UNMANNED AIRCRAFT SYSTEMS FOR ALASKA



Ro Bailey
Deputy Director
Alaska Center for Unmanned
Aircraft Systems Integrator
(907) 455-2104

Roadmap

- University of Alaska UAS history
 - Vision, mission, why unmanned
- Projects & why they matter to Alaska
 - Economic value
 - Science, engineering, & safety value
- FAA Test Site Proposal
- What about privacy? Law Enforcement?
- House Concurrent Resolution No. 6

UAF's History of Unmanned Aircraft

- **2001 - Partnership with New Mexico State University**
 - Tasked to develop applications within the Technical Analysis and Applications Center (TAAC)
- **2003/2004 - Funded to work with USAF and USCG**
 - Maritime domain awareness
 - Wildfires in the Interior of Alaska
- **2006 - Acquired first ScanEagle with 50% loan from University Foundation**
- **2007 to present - Multiple missions for science, emergency response, humanitarian needs, and engineering development**
- **Today our unmanned aircraft fleet is diverse and growing**
 - Existing fixed wing systems
 - Existing rotor systems
 - Developing new systems

June 2007



First UAF Launch

Altair "Mariner" Alaska July 2004



Meeting Alaska's Needs

- Research
 - Science
 - Engineering
- Public Safety / Emergency Response
- Natural Resource Management



Value to Alaska

- **UAF alone has brought in over \$4.5 M**
- **Technology**
 - **Three small company start-ups since 2010**
 - **Two aerospace companies opened/opening offices in Fairbanks—one is ARTIC, or Atkinson Robotics and Technology Integration Corporation**
 - **Both Alaskan and Outside companies partnering with UAF to pursue FAA Test Site**
- **Value to Alaska business**
 - **Fish & game management & protection**
 - **Support oil industry, mining, fisheries, others**

Economic Impact in Alaska

Before Expected Impact of a Test Range Designation



Northern
Embedded
Solutions



Alaska-based development partners

Expected Value

- **Value to Alaska**
 - **Better deploy wildfire fighters**
 - **Support disaster response**
 - **Assess/protect transportation routes—e.g., monitor slopes**
 - **Search & rescue in remote areas**
 - **High resolution mapping**
 - **Infrastructure monitoring**
 - **Oil spill response & monitoring**
 - **Counter unilateral Federal decisions with facts**
 - **River monitoring during breakup**

What Alaska Offers

- **Vast open airspace with little traffic**
- **Wild, extreme, unpopulated, diverse terrain**
- **Access to large military ranges with data gathering ability**
- **History of pioneering aviation technology**
- **Culture of innovative use of aviation**
- **Close relationship with regional FAA**
- **Perhaps most important, willingness to be thoughtful and methodical in potential policy decisions**

Vision

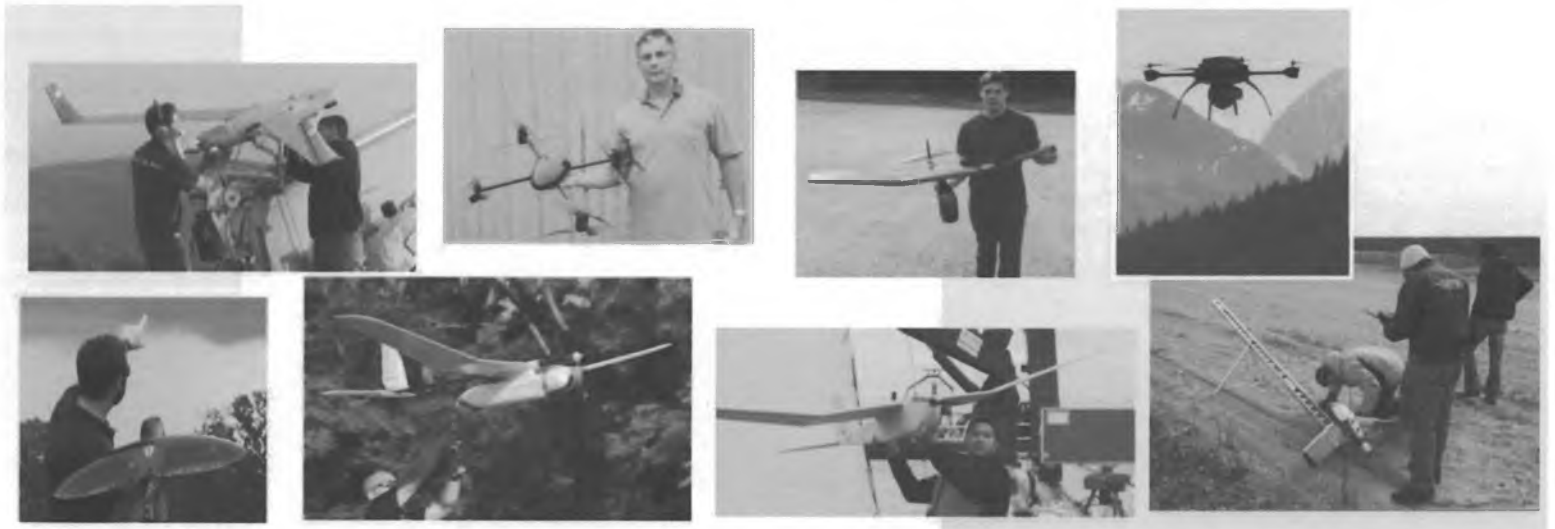
Develop, test, and ultimately exploit emerging unmanned aircraft technology and its uses to create a positive economic and social benefit within the State of Alaska.

When the cost of the hardware is no longer a factor what will people do with the capability?

- **Plan today to prepare for the future**
- **Develop what is needed to support**
- **Participate in policy development for benefit and protection of Alaska & the nation**

Mission Statement

A research center for small, unmanned aircraft systems providing integration of unique payloads and supporting pathfinder missions within government and science communities, with a special emphasis on the Arctic region.



Conducted over 150 mission flight days worldwide in 2012

Why Unmanned?

- **Risky work: over remote, extreme terrain or unreachable locations in volatile weather conditions**
 - Nov 1999: Helicopter crashed, two Nez Perce biologists conducting surveys seriously injured
 - Polar & distant maritime locations
- **Dirty work: observations over chemical spills, volcanoes, wildfire smoke**
- **Dull: capturing thousands of photos to process into 3D maps is boring, repetitive work**
- **Other means not possible**
 - Monitoring sea ice from under 1000 ft
 - Flying through volcanic ash plumes

The Evidence: a sample of projects

Steller Sea Lion Habitat Monitoring

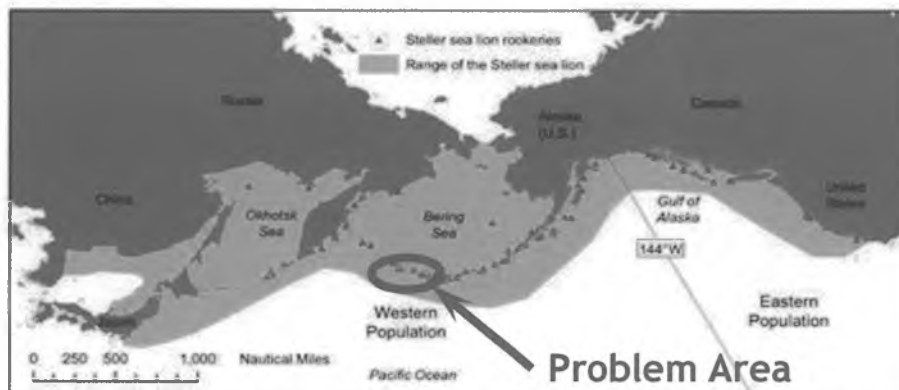


Preliminary Findings
- Migration Patterns
- Transient Killer Whales



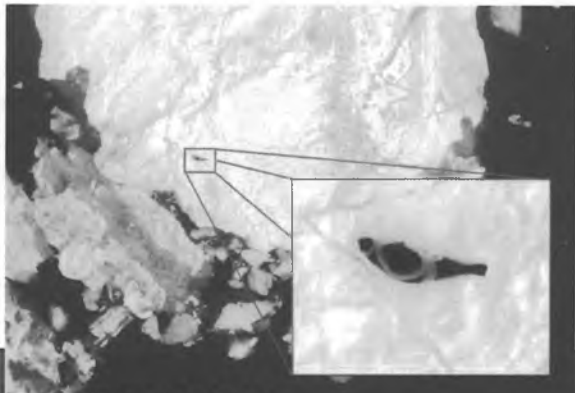
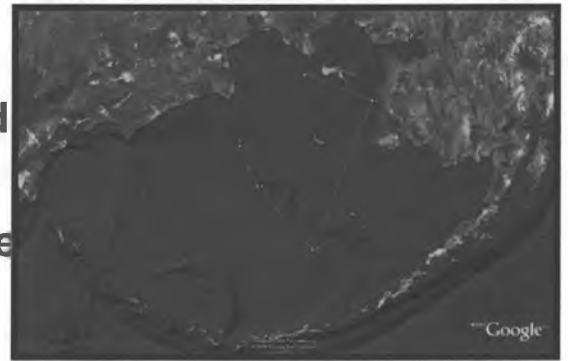
Augmenting Steller Sea Lion Surveys Western Aleutians

- **Problem:** Biological opinion, based on limited observations, eliminated a commercial fishery
- **Goal:** Demonstrate a method to collect high quality imagery for population surveys in hard to observe areas
- **Possible Benefit:** Improved understanding of animal use of and movement through their habitat



Ice Seal Population Study

- **Scientific Need**
 - Marine Mammal Protection Act mandated
- **Relevance**
 - Large-scale, systematic ship-based survey
- **Outcome**
 - Safer (than manned aviation)
 - More effective (they do not startle seals)
 - vs. manned fixed wing or helicopters



2009 First Deployment
2014 Proposed Expanded Survey
Joint NOAA and US Navy Funded

since 1917

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2013 LEGISLATIVE SESSION

BILL NO. HCR6

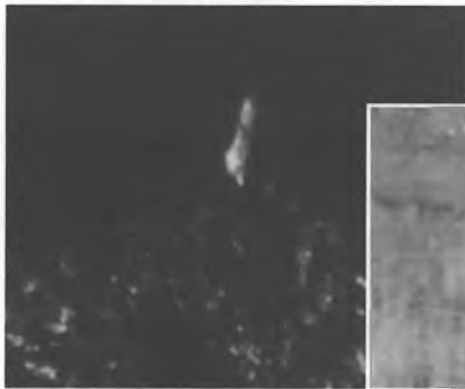
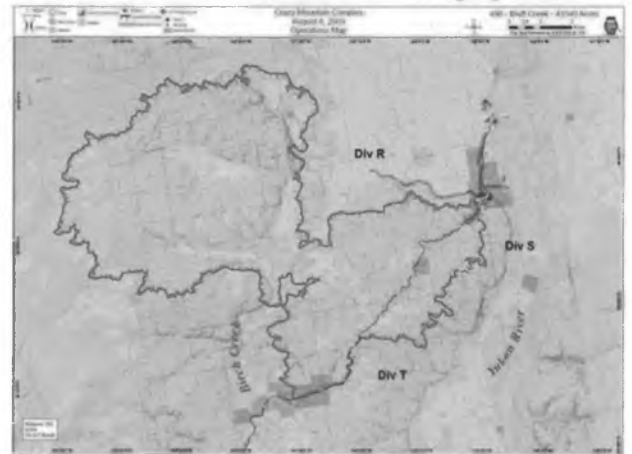
Analysis

This Legislation has zero fiscal impact on the Legislative Affairs Agency.

Crazy Mountain Wildfire

Alaska Fire Service Incident Command Team Support

- Tasked by Alaska Fire Service Incident Command Team
- Manned aviation not flown for 5 days due to the smoke and limited visibility
- Satellite imagery (MODUS) incapable of showing critical activity

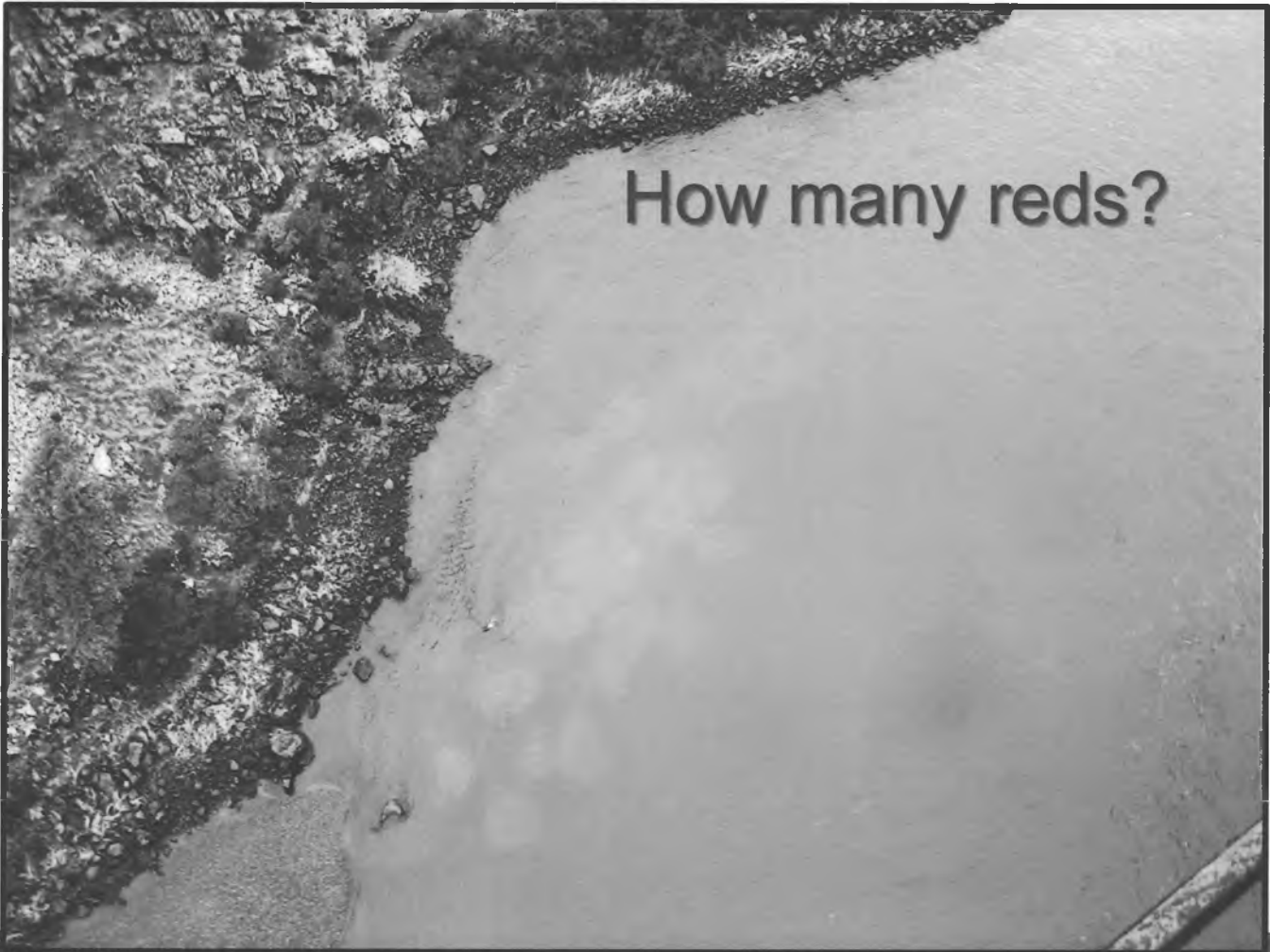


Salmon Spawning Habitat

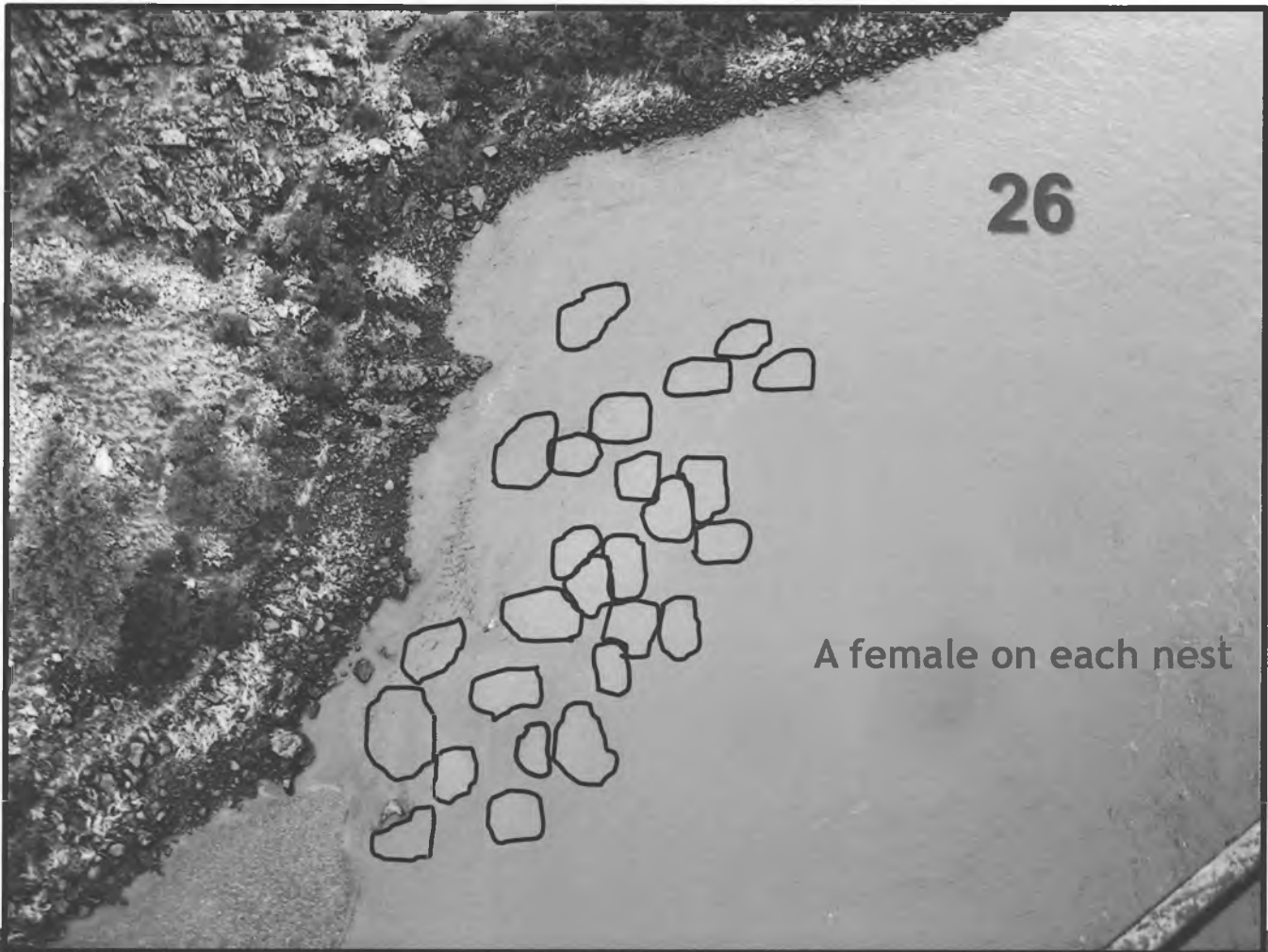
October - December 2012

- Mapping Fall Salmon Nests along a 162 km of the Snake and Clearwater River in Idaho, Washington, and Oregon
- “THREATENED” under the Endangered Species Act





How many reds?



26

A female on each nest

Fish Habitat Data Products

Weekly Mosaic Images of Select Sites



Rx-CADRE

Prescribed Fire Combustion and Atmospheric Dynamics Research Experiment

- October 29 - November 17 2012
- Eglin AFB Florida



Bear Bite - SAREX

Mass Casualty Exercise 7-10 February 2013

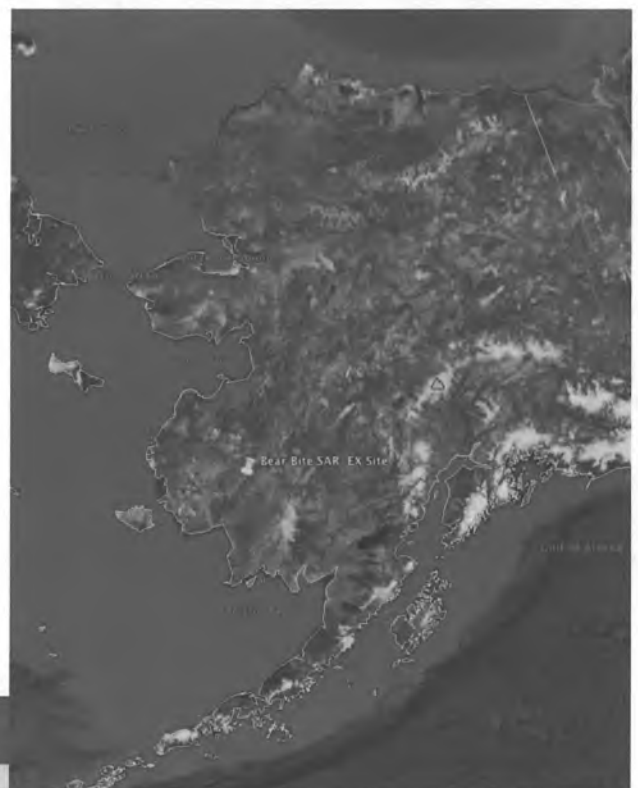
“An aircraft crashed in the tundra roughly 20 miles outside Bethel Alaska many died with some survivors”

Deployed two unmanned aircraft systems with support team

Coordinated with manned aviation on the scene

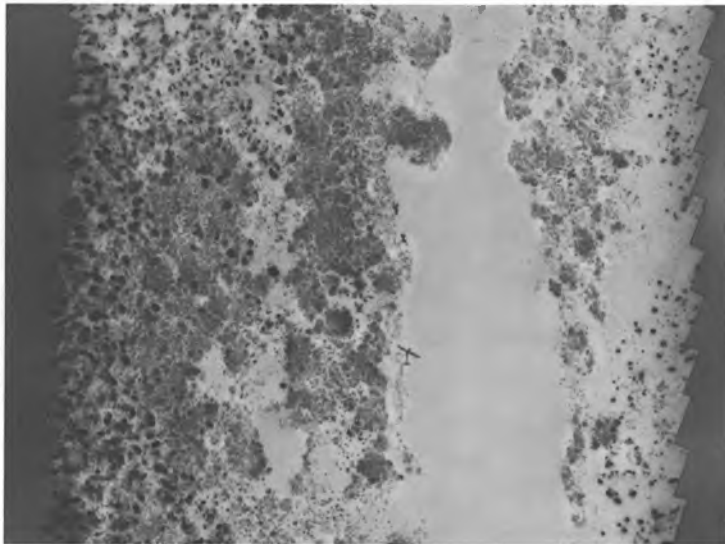
Mission:

- **Map scene for event documentation**
- **Real-time SAR response**



Bear Bite - SAREX

“I’ve worked with the MQ9 and the MQ1 before and when compared these products were pretty sweet” - SAR Duty Officer statement at after action review 11 Feb 2013. “Within just a couple hours imagery was collected and turned into mosaic products in the field”



Bear Bite - SAREX

cold weather operations – our most challenging yet

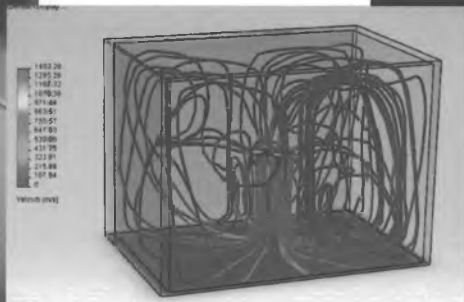


Shoreline Clean-up Assessment Technique (SCAT) Evaluation



BP Exploration (Alaska) Inc. Partnership

Oil Infrastructure Monitoring Research



BP North America Partnership

High Arctic Ship Piloting Experiments

Aboard the Canadian CCGS LOUIS S. ST. LAURENT



**Phase I Research conducted by
Capt Stephen Wackowski (USAF)**

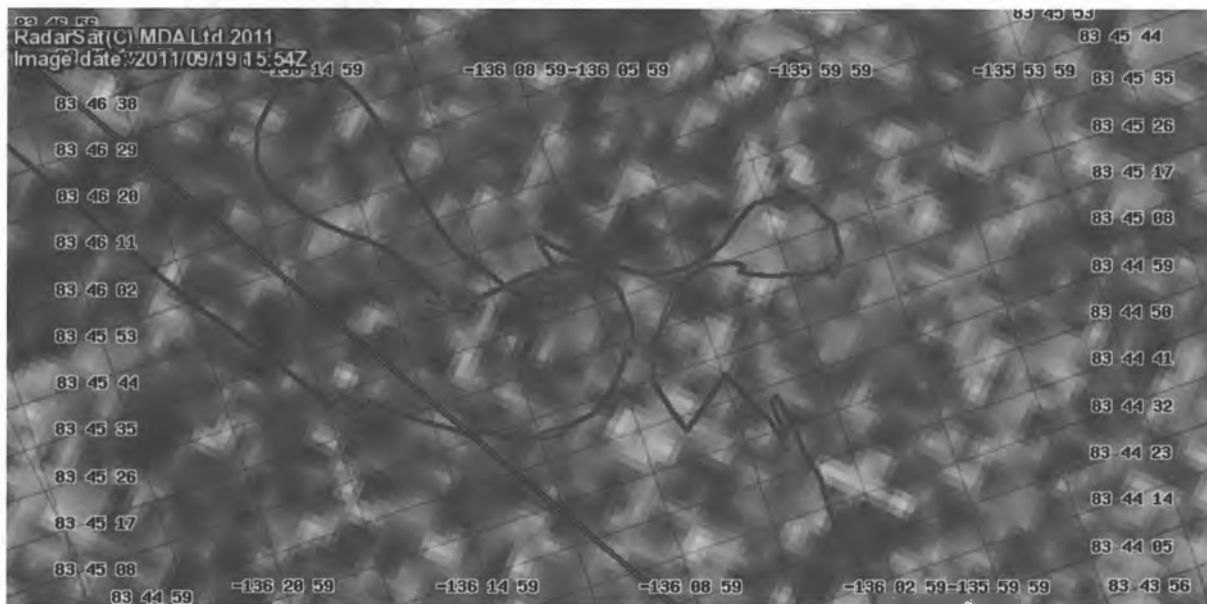
**Phase II Ongoing with UAF
graduate students with modified
Raven systems acquisition**

Imagery Used For Ship Piloting in Ice

Ship tracks superimposed (Sept 2011)

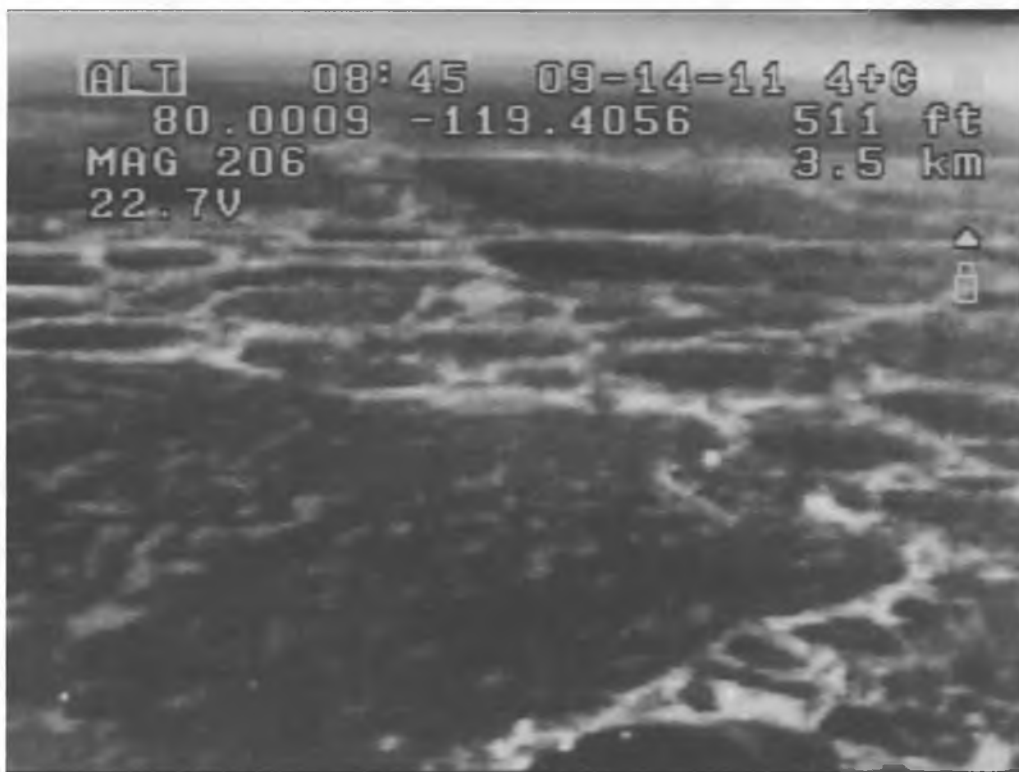
Background Image: National Ice Center highest resolution RADARSAT

- Desired icebreaker track (green)
- Actual navigation track (red)



Small UAS Imagery of Ice Ridges

IR image from RAVEN UAS (Sept 2011)



Navigating Sea Ice during the Nome Fuel Delivery

University Engagement and Decision Support



Mission

- 1. Identify potential safety concerns for those working on the ice**
- 2. Document the site for mission response activity**
- 3. Collect imagery for the USCG Public Affairs Officer**

iPASS

UAF's Portable Airspace Surveillance System

Designed and built by UAF for Alaska's airspace monitoring needs



Status
Operational, used in
Canada and NASA
Certified

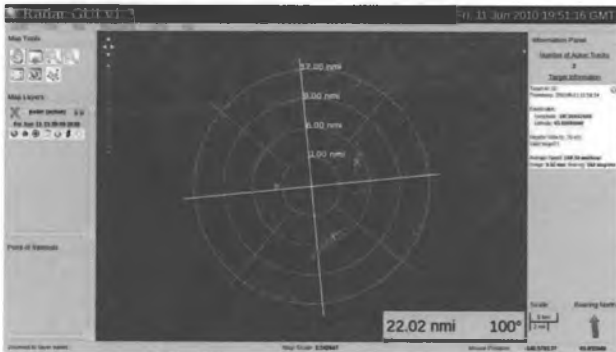


Airspace activity monitoring

Monitors airspace use patterns and validates traffic pattern assumptions

Enhanced situational awareness during aircraft or spacecraft operations

Provides real-time position and track of local airspace activity to assist in traffic avoidance



Ongoing UAS Survey of Marine Debris Generated by 2011 Japanese Tsunami



NOAA Funded Effort



**Partnering with a Wasilla
Alaska based UAS
Manufacturer Airborne
Technologies Inc**

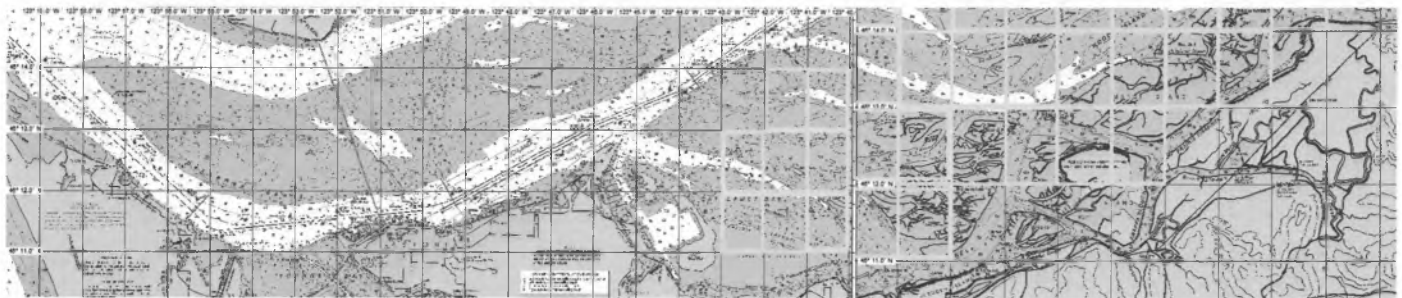


Alaska Department of Public Safety

- **Provided demonstration of a vertical takeoff UAS**
- **Provided concepts in which a UAS could be used including:**
 - **Forensic evidence at crash or crime scene**
 - **Search and rescue**
 - **Wildlife protection**
- **Provide UAS subject matter expert as AST forms its concept of operations**
- **Possible development of UAS training package to train State troopers**
- **Supporting any FAA interaction needs**
- **Providing connections to legal experts on privacy**

Most Recent ACUASI Project

Oil Spill Response Exercise - Columbia River Estuary



- 11-13 March 2013
- Puma AE Operation



Low-altitude, over-the-pole capability

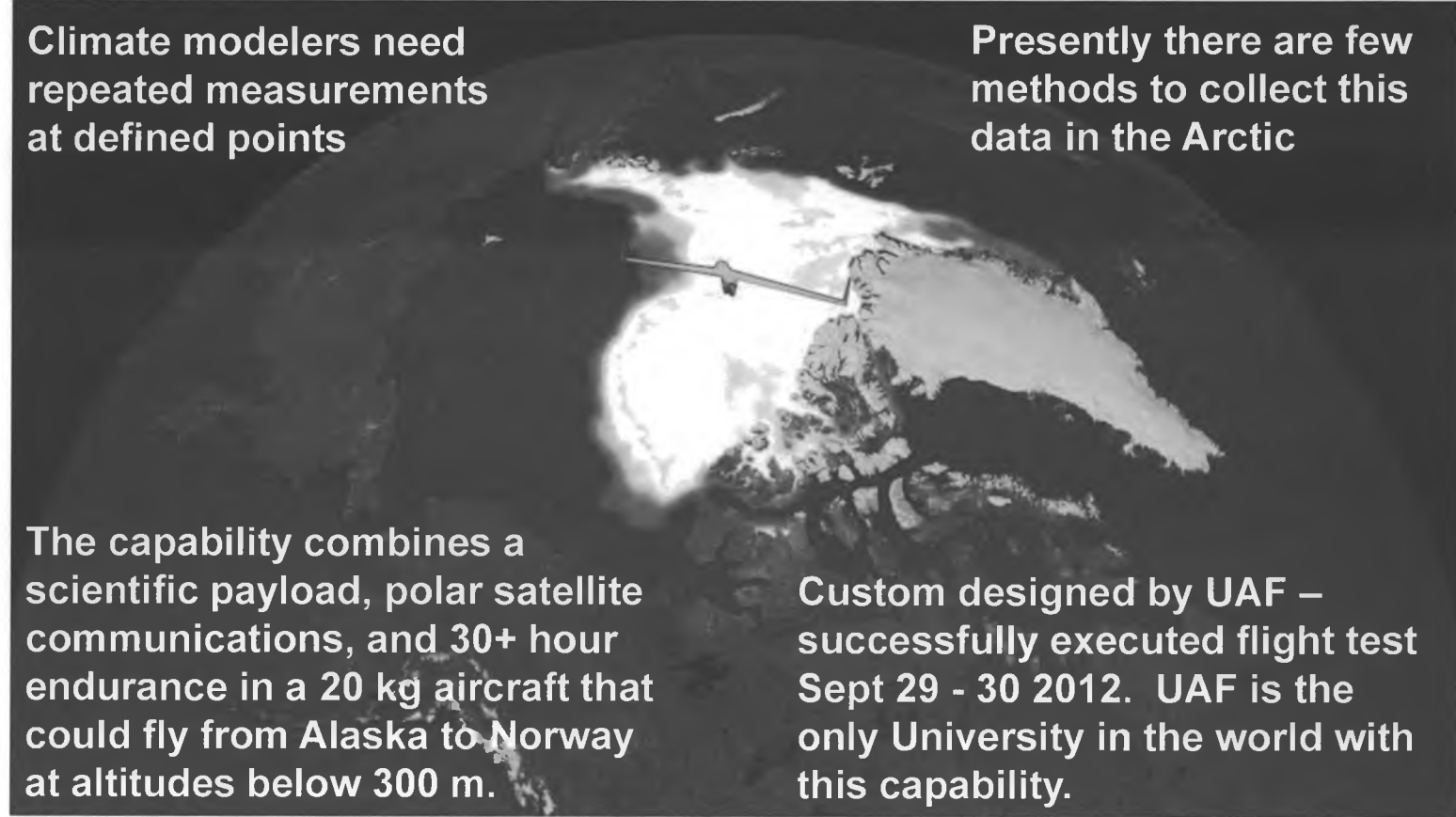
**Fuel-injected, Iridium-communication-enhanced,
long-endurance, small unmanned aircraft**

Climate modelers need repeated measurements at defined points

Presently there are few methods to collect this data in the Arctic

The capability combines a scientific payload, polar satellite communications, and 30+ hour endurance in a 20 kg aircraft that could fly from Alaska to Norway at altitudes below 300 m.

Custom designed by UAF – successfully executed flight test Sept 29 - 30 2012. UAF is the only University in the world with this capability.



Volcanic Ash Analysis and Detection

USAF Small Business Innovative Research

- Collaboration between UAF researchers and new industry
- Opportunity to launch a business to capitalize on USAF funding with UAF Intellectual Property



FAA Test Site

- **Jan 2012: FAA Reauthorization Act directed FAA to select 6 Test Sites to research and test for safe integration of UAS into the national airspace**
- **Feb 14 2013: Solicitation was released**
- **UAF leads team for states of Alaska, Oregon, and Hawaii, plus 56 additional team members**
 - **Includes state agencies (DOT, DPS, Forestry of DNR, DHS&EM, National Guard**
 - **Universities, EDCs, corporations**
- **Proposals due multiple dates, last by May 6**
- **Selection targeted by FAA for Dec 31 2013**

Pan Pacific UAS Test Range Complex

- University ACUASI is lead
- Fourteen specific spots around the three states
 - Strong link with military JPARC ranges
 - Forging links with manned aviation safety specialist
- Key questions to answer:
 - Procedures to protect manned aviation
 - Policies to protect privacy
 - Technical testing to assure control, see & avoid, lost link procedures work, etc

How is Privacy Protected?

- **We're dedicated to protect privacy so beneficial uses can be obtained**
- **Current statutory/case law strongly protects privacy while defining legal airborne activities (manned)**
 - **Unmanned a new technology, but subject to same restrictions**
 - **DHS & National Institute for Justice have taken on task of defining specific UAS privacy rules**
 - **FAA committed to incorporating into Test Site and future rules once developed**
 - **DoD & Guard training on domestic privacy well underway**

More on Privacy

- **International Chiefs of Police issued guidelines for law enforcement use of UAS**
 - Handout with full text available
 - The essence:
 - Follow FAA rules
 - Use strict supervisory accountability
 - Get warrants if any possibility of use for surveillance or investigation
 - Notify locals of intent to fly over them
 - Delete recordings not authorized by warrant, training use, or as required by law
- **UAF working with DPS to assist with program, procedures, all to be set up before first flight**

What about Weapons on UAS?

- **Despite media scares, this won't happen**
- **The Unmanned Aircraft System community uniformly against any such use**
- **Small UAS incapable of carrying weapons**
 - **But even if they could...**
- **FAA prohibits weapons completely—or any dropping of objects from aircraft**
- **IACP advises against even considering—sees as unlikely technologically, unacceptable to public, ineffective use of UAS**

HR No 6

- **Thank you for a thoughtful and balanced view of the potential benefits and risks of UAS**
- **Recognition of UAF's work to date is gratifying—our goal always has been to benefit Alaska**
 - **You've seen many benefits already, but potential remains far greater**
 - **Military users & media treatment have created an impression of danger for domestic use**
 - **No violations yet; we pledge to work hard both on the task force and in the test site to craft solid, defensible policy for your consideration**



UNIVERSITY OF
ALASKA
FAIRBANKS

Alaska Center for UAS Integration

2012 Alaska Legislature Capital Budget

Research and Development of Unmanned Aerial Systems	5,000,000	5,000,000
--	-----------	-----------

16 (HD 1-40)

It is the intent of the Legislature that the University of Alaska collaborate with the Federal Aviation Administration in establishing a research and development program and possible test facility for Unmanned Aerial Systems in Alaska. Unmanned Aerial Systems are already being utilized in Alaska in many ways and as the Arctic race progresses, they will become even more vital as a resource to the State and the Country.

Excerpt From DoD Training Briefing



General Principles

- Do NOT infringe on US Persons' Constitutional rights
- Protect privacy rights of US Persons
- Collect, retain, and disseminate information based on a lawfully assigned mission and function
- Employ the least intrusive lawful techniques
- Comply with all regulatory requirements





Interior Alaska – The “Place” To Do Business

100 Cushman St., Suite 102 | Fairbanks, Alaska 99701-4665
ph (907) 452-1105 | fax (907) 456-6968 | www.FairbanksChamber.org

March 26, 2013

Representative Shelley Hughes
State Capitol Building
Room #409
Juneau, AK 99801

Dear Representative Hughes,

The Greater Fairbanks Chamber of Commerce represents over 700 businesses and organizations in the greater Fairbanks area and our mission is to ensure a healthy economic environment. The Chamber supports the Alaska House of Representatives Concurrent Resolution No. 6, recognizing the Alaska Center for Unmanned Aircraft Systems Integration at the University of Alaska Fairbanks as a national leader in unmanned aircraft research and development, and establishing a legislative Task Force on Unmanned Aircraft Systems.

The University of Alaska has led the way for research on unmanned aircraft systems (UAS) and continues this pioneering work in its bid to become one of the nation's six test sites for aircraft systems testing and research. The Resolution recognizes this substantial effort. More significantly, it establishes a legislative Task Force to address potential impacts and opportunities of unmanned aircraft systems for our state.

Alaska's immense land mass and associated airspace presents opportunities no other state can offer for testing and flight training. Vast existing Military Operations Areas and expansive ground maneuver areas can easily support virtually all military applications for current and future UAS technology, and military UAS infrastructure can only complement civilian and commercial applications.

As with any new technology, a myriad of concerns must be addressed before unmanned aircraft become a common fixture in our National airspace. This resolution takes the necessary step to begin addressing those concerns to insure Alaska leads the way for this transformative and dynamic flight environment.

Sincerely,

[Signature of Lisa Herbert]

Lisa Herbert
Executive Director

[Signature of Terri Froese]

Terri Froese
Board of Directors, Chair

[Signature of Tim Jones]

Tim Jones
Military Affairs Committee, Chair

[Signature of Anna Atchison]

Anna Atchison
Government Relations Committee, Chair

INVESTORS

DIAMOND

- BP Exploration
ConocoPhillips
ExxonMobil
Fairbanks Daily News-Miner
Fairbanks Memorial Hospital & Denali Center
Flint Hills Resources Alaska
Mt. McKinley Bank
Santina's Flowers & Gifts

PLATINUM

- Alyeska Pipeline Service Co.
Doyon, Limited
Fred Meyer Stores
Golden Heart Utilities
Wells Fargo Bank Alaska

GOLD

- Alaska Railroad
Birchwood Homes
Carlson Center
Denali State Bank
Design Alaska
Doyon Utilities LLC
First National Bank Alaska
Kinross Fort Knox Mine
Lynden
MAC Federal Credit Union
Northrim Bank
Sumitomo Metal Mining Pogo LLC
Usibelli Coal Mine

SILVER

- ACS
Alaska Airlines
Alaska USA
Dr. Christopher Henry – Henry Orthodontics
Everts Air Cargo, Everts Air AK
Exclusive Paving/Univ. Redi-Mix
Fairbanks Natural Gas
Flowline Alaska
GCI
General Teamsters Local 959
GVEA
Hale & Associates, Inc.
JL Properties, Inc.
Key Bank
Personnel Plus
Sam's Club
Shell Exploration & Production Co.
Spirit of Alaska FCU
Tanana Valley Clinic
TDL Staffing
Totem Ocean Trailer Express, Inc.
Tower Hill Mines-Livengood Gold Project
University of Alaska Fairbanks
Verizon Wireless
WAL-MART Stores, Inc.
Yukon Title Company

Cc: Governor Sean Parnell
Alaska State Legislature
Alaska State Chamber of Commerce
Membership of the Greater Fairbanks Chamber of Commerce

Alaska State Legislature

State Capitol, Room 208
Juneau, Alaska 99801-1182
Phone: 907-465-3779
Fax: 907-465-2833
Toll Free: 800-469-3779



145 Main St. Loop
Second Floor
Kenai, Alaska 99611
Phone: 907-283-7223
Fax: 907-283-7184

REPRESENTATIVE MIKE CHENAULT SPEAKER OF THE ALASKA STATE HOUSE

SPONSOR STATEMENT

HOUSE JOINT RESOLUTION 12: SUPPORT IN-STATE FIREARMS MANUFACTURING

House Joint Resolution 12 is based on a resolution recently introduced in the Montana State House. HJR 12 encourages and invites gun and gun accessory manufacturers to bring their business to Alaska. With a number of states considering the enactment of legislation restricting or prohibiting the possession or manufacturing of certain firearms and accessories, it is imperative the Administration and the Legislature make it known that we would welcome them to our state. Our excellent constitutional and statutory protections for firearm use, possession and manufacturing makes Alaska an ideal place for firearm and accessory manufacturers to relocate their business to our state.

The list of the various manufacturers was produced by the National Shooting Sports Association and represents major weapon and accessory manufacturers.

FISCAL NOTE

STATE OF ALASKA
2013 LEGISLATIVE SESSION

Bill Version HJR12
 Fiscal Note Number _____
 () Publish Date _____

Identifier (file name) HJR12-LEG-SESS-03-25-13 Dept. Affected Alaska Legislature
 Title Encouraging the manufacture of firearms and firearms accessories in the state. Appropriation Legislative Operating Budget
 Allocation Session Expenses
 Sponsor Chenault, Hawker, Millett, Johnson, Pruitt, Olson, Thompson
 Requester Representative Hughes OMB Component Number 782

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	FY14 Appropriation Requested	Included in Governor's FY14 Request	Out-Year Cost Estimates				
			FY15	FY16	FY17	FY18	FY19
OPERATING EXPENDITURES	FY14	FY14	FY15	FY16	FY17	FY18	FY19
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants, Benefits							
Miscellaneous							
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE		(Thousands of Dollars)					
1002	Federal Receipts						
1003	GF Match						
1004	GF						
1005	GF/Prgm (DGF)						
1037	GF/MH (UGF)						
1178	temp code (UGF)						
TOTAL		0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS							
Full-time							
Part-time							
Temporary							

CHANGE IN REVENUES							

Estimated **SUPPLEMENTAL (FY13) operating costs** _____ (separate supplemental appropriation required)
 (discuss reasons and fund source(s) in analysis section)

Estimated **CAPITAL (FY14) costs** _____ (separate capital appropriation required)
 (discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? _____
 If yes, by what date are the regulations to be adopted, amended, or repealed? _____ Discuss details in analysis section.

Why this fiscal note differs from previous version (if initial version, please note as such)

Initial Version

Prepared by Jessica Geary, Finance Manager
 Division Legislative Affairs Agency
 Approved by Pamela Varni, Executive Director
Legislative Affairs Agency

Phone 465-6626
 Date/Time 3/25/13 11:40am
 Date 3/25/2013

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2013 LEGISLATIVE SESSION

BILL NO. HJR12

Analysis

This Legislation has zero fiscal impact on the Legislative Affairs Agency.

Outdoor Channel Blacklists Colorado Over Gun Control Laws

godfatherpolitics.com

[Email](#)

[Print](#)

Living in the Southwest for most of my life, I've seen just how many people go to Colorado to hunt, fish, ski, hike, camp and sight see. Combined together, these activities generate millions of dollars for businesses as well as the state government.

Yet, the controlling Democrats are willing to lose a large portion of that revenue and place many businesses in jeopardy, just to push Obama's anti-gun policies. A couple of major businesses are already looking to relocate out of the state because of the recently passed and newly proposed anti-gun laws.

Now, the Outdoor Channel, a very popular cable network for hunters, fishermen and outdoors type people, has notified the Colorado Senate Republican Caucus that they are prepared to pull all of their productions out of the state if the anti-gun laws are passed. Currently, the Outdoor Channel has four cable program series being produced in Colorado, including their most popular program 'Gun Stories.'

Michael Bane, executive producer and host of Outdoor Channel, sent an email to State Sen. Steve King (R-Grand Junction) stating in part:

"This morning I met with my three Producers, and we made the decision that if these antigun bills become law, we will be moving all of our production OUT of Colorado. We have already cancelled a scheduled filming session for late this month. Obviously, part of this is due to our own commitment to the right to keep and bear arms, but it also reflects 3 lawyers' opinions that these laws are so poorly drafted and so designed to trap otherwise legal citizens into a crime (one of our attorneys referred to them as "flypaper laws") that it is simply too dangerous for us to film here."

"I can give you chapter and verse on the legal implications if you need, but suffice to say that the first legal opinion was so scary we went out and got two others. All three attorneys agreed."

"We are relatively small potatoes in television, but our relocation of production will cost Colorado a little less than a million dollars in 2013."

"Secondly, we have proudly promoted Colorado in our productions (and have been moving more and more production into the state); now we will do exactly the opposite. What does this mean for Colorado? The community of television producers is a small one. Last week I had lunch with a major network producer who was looking to locate his new reality series in Colorado. That producer is also a shooter, and the new reality series will now be based out of Phoenix. That lunch

cost Colorado over a million in economic impact.

“Thirdly, according to numbers I received from the National Shooting Sports Foundation (for whom I used to work) yesterday, hunting had an almost \$800,000,000 impact on Colorado in 2012, driving as many as 8330 jobs. Next month I will be in Texas meeting with most of the top outdoor/hunting producers, and the Number One agenda item will be Colorado. Already, hunting organizations and statewide hunting clubs around the country are pulling out of Colorado, and we expect this trend to accelerate rapidly.”

“The message we will take to our viewers and listeners is that these proposed laws are so dangerous to hunters and any other person, be she a fisherman or a skier who brings a handgun into the state for self-defense, that we cannot recommend hunting, fishing or visiting Colorado. We reach millions of people, and, quite frankly, we have a credibility that Colorado government officials can no longer match. Colorado Division of Wildlife is already running ads trying to bring more out-of-state hunters to Colorado...in light of the flood of negative publicity about these proposed laws, I can assure you those ads will fail.”

We estimate that as many as one-quarter to one-third of out-of-state hunters will desert Colorado in the next 18-24 months, which will quite frankly be a disaster for the hunting industry in Colorado and have a devastating effect on our western and northern communities (certainly like Grand Junction).”

Sen. King spoke out against the pending anti-gun laws saying:

“These radical bills demonstrate that penalizing law-abiding gun owners harms not only Colorado hunters, but it also damages the economy. If these bills pass, Colorado will become known as an unfriendly state toward sportsmen and will force other producers across the country to consider other states.”

Sen. Bill Cadman (R-Colorado Springs), Minority Leader in the state senate also spoke out saying:

“The Democrats are taking their marching orders from extreme liberal New York Mayor Michael Bloomberg and are ignoring the people who voted for them. He has promised to ‘pay’ for their support of his agenda in the coming elections. He (Bloomberg) has now become the de-facto head of the Democrat party and the de-facto Governor of Colorado. This is a sad day for our state, and could be a very sad day for the Constitution.”

First the gun companies threaten to leave, taking hundreds of jobs and a million dollars’ worth of revenue and now the Outdoor Channel not only is planning on leaving, but is about to launch a campaign to turn people and millions of dollars away from Colorado. But will it be enough to cause the Democratic leadership to stop their insanity? I suspect not! They are so hell bent on promoting their anti-gun agenda, that they won’t care how much money or how many jobs it will cost the people of Colorado.

Just like Obama, it's not what the people want or what's best for the people; it's the personal agenda that takes priority. Once Obama gets some guns banned, he won't stop until they are all banned and once that happens, he will launch his hostile military takeover of the US and free America will disappear forever.

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Will Retirement Accounts be Nationalized by Obama and the Democrats?



An Inconvenient Veteran: Big Government Failing the Troops



- Will Retirement Accounts be Nationalized by Obama and the Democrats?
- New York State Negates Parental Authority In Effort Hide Teen Abortions

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Montana Shooting Sports Association

Missoula, MT --(Ammoland.com)- You may have heard that Remington is thinking of bailing out of its plant in New York (1,300 employees).

Beretta is threatening to leave Maryland if the Legislature there bans magazines over 10 rounds (Beretta just got an Army contract for 100,000 M9 pistols and has 300 employees), and Magpul is planning to leave Colorado (because of Colorado's ban on standard-capacity magazines).

There are others. I've been contacting these companies asking them to come to Montana, but I figure the invitation will carry more punch if it comes from the Legislature, thus the resolutions:

Introduced By *****

A Resolution of the Senate of the State of Montana inviting firearms and firearms accessory manufacturers threatened by hostile laws in other states to move to Montana.

WHEREAS, some states have enacted laws or are considering enacting laws that would prohibit the possession of certain firearms or of certain firearms accessories; and

WHEREAS, these laws may make it impossible for existing manufacturers to remain in or legally do business in those states; and

WHEREAS, many firearms and firearms accessory manufacturers are examining options for relocating their manufacturing to a more firearms friendly location; and

WHEREAS, Montana is a firearm-friendly state with a good legal infrastructure for firearms possession, use, and manufacture; and

WHEREAS, Montana has a well-educated workforce of people with a strong work ethic and with a culture of firearms knowledge and tolerance; and

WHEREAS, Montana offers space, beauty, and a great place to live and work.

NOW, THEREFORE, BE IT RESOLVED BY THE SENATE OF THE STATE OF MONTANA: Montana says to threatened firearms and firearms accessories manufacturers: "Come to Montana. We want you here"; and

Be it further resolved that Montana says: "Montana is open for business for manufacturers of firearms and firearm accessories"; and

Be it further resolved that the Secretary of State is encouraged to coordinate with firearm-related groups and businesses existing in Montana to develop contacts with manufacturers of firearms and firearm accessories in other states and deliver this resolution to them; and

Be it further resolved that Governor Steve Bullock is urged to actively seek out any manufacturers of firearms and firearms accessories to encourage them to move to Montana and to aid these manufacturers in relocation in whatever way may be possible.

- END -

Gary Marbut, president Montana Shooting Sports Association www.mtssa.org author, [Gun Laws of Montana](http://GunLawsOfMontana.com) www.mtpublish.com

About Montana Shooting Sports Association: MSSA is the primary political advocate for Montana gun owners. Visit: www.mtssa.org



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Homady Homady 338 Lap 285
Gr Bthp Match Ammo
\$84.99
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Remington Arms Inc.
Remington Umc Target
Handgun Ammunition
\$64.79
Buy Now

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HOUSE BILL NO. 468
INTRODUCED BY A. DOANE

A BILL FOR AN ACT ENTITLED: "AN ACT ENSURING THE AVAILABILITY OF MONTANA AMMUNITION; ENCOURAGING THE FORMATION OF BUSINESS IN MONTANA PRIMARILY ENGAGED IN THE MANUFACTURE OF AMMUNITION COMPONENTS; PROVIDING EXEMPTIONS FROM PROPERTY TAXES, INDIVIDUAL INCOME TAXES, CORPORATION LICENSE TAXES, AND OTHER BUSINESS-RELATED TAXES TO A MANUFACTURER OF AMMUNITION COMPONENTS; PROVIDING EXEMPTIONS FROM INDIVIDUAL INCOME TAXES AND CORPORATE LICENSE TAXES TO AN INVESTOR OR LENDER THAT PROVIDES LOANS TO A MANUFACTURER OF AMMUNITION COMPONENTS; CLARIFYING THAT THE FIREARMS LIABILITY LAW APPLIES TO AMMUNITION COMPONENTS MANUFACTURED IN MONTANA; LIMITING FEDERAL REGULATION OF AMMUNITION CHEMICALS; EXPANDING ECONOMIC DEVELOPMENT CRITERIA TO ENCOMPASS THE MANUFACTURE OF AMMUNITION COMPONENTS; AMENDING SECTIONS 15-6-219, 15-30-2110, 15-31-113, 27-1-720, 90-1-118, AND 90-1-202, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND APPLICABILITY DATES."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. **Section 1. Short title.** [Sections 1 through 8] may be cited as the "Montana Ammunition Availability Act".

NEW SECTION. **Section 2. Legislative findings.** (1) In recognition that the people of Montana have reserved to themselves the individual right to bear arms in Article II, section 12, of the Montana constitution, the legislature finds that both this right and the firearms that the people possess are at serious risk if the people cannot obtain ammunition for firearms. An adequate source of ammunition is an indivisible and essential part of the right to bear arms. The people of Montana are totally dependent upon a very few manufacturers of smokeless propellant, small arms primers, and cartridge cases located in other states for small arms ammunition used in Montana.

(2) The legislature intends to encourage the manufacture of smokeless propellant, small arms primers, and cartridge cases within the borders of Montana to ensure availability of small arms ammunition for the people

1 of Montana and to fully implement the right to bear arms that the people have reserved to themselves.

2

3 **NEW SECTION. Section 3. Definitions.** As used in [sections 1 through 8], the following definitions
4 apply:

5 (1) "Ammunition components" means propellants, primers, and cartridge cases.

6 (2) "Black powder" means a propellant made from potassium or sodium nitrate, charcoal, and sulfur or
7 a substitute for black powder made differently that is used for conventional small arms or antique or replica arms.

8 (3) "Cartridge cases" means the casings that contain and hold together the propellant, primer, and bullet,
9 which may be formed from brass, aluminum, steel, plastic, or some combination of those or other materials.

10 (4) "Primary business" means a manufacturer in which more than one-half of its product produced is and
11 more than one-half of its gross income comes from sales of ammunition components.

12 (5) "Propellant" includes smokeless propellant and black powder.

13 (6) "Small arms" means pistols, revolvers, rifles, shotguns, and other similar devices that are portable
14 by one person, the possession and use of which are protected by Article II, section 12, of the Montana
15 constitution.

16 (7) "Small arms primers" means the priming component for a round of ammunition intended for use in
17 small arms that is usually made of a cup, an anvil, and a shock-sensitive chemical compound and is designed
18 to ignite the propellant in an ammunition cartridge for conventional small arms.

19 (8) "Smokeless propellant" means a chemical substance designed to expel a projectile from small arms
20 through burning and expansion at a quick but controlled burning rate.

21

22 **NEW SECTION. Section 4. Tax exemptions for manufacturing of ammunition components --**
23 **conditions.** (1) A person or entity in this state engaged in the primary business of the manufacture of ammunition
24 components that meets the conditions in subsections (2) and (3) is exempt from:

25 (a) property taxes levied for state educational purposes under 15-10-108, 20-9-331, 20-9-333, 20-9-360,
26 and 20-25-439;

27 (b) business equipment tax levied pursuant to 15-6-138;

28 (c) individual income taxes as provided in Title 15, chapter 30;

29 (d) corporate license or income tax as provided in Title 15, chapter 31; and

30 (e) any other tax on business activity levied by the state, except:

- 1 (i) the local portion of property tax not exempt under subsection (1)(a); or
- 2 (ii) an employer's share of employee payroll taxes that are used to finance state-mandated programs,
- 3 including unemployment insurance and workers' compensation.

4 (2) A person or entity in this state engaged in the primary business of the manufacture of ammunition
 5 components is exempt from taxation as provided under subsection (1) if the person's or entity's business meets
 6 the following conditions:

7 (a) the products of the business are and remain available to commercial and individual consumers in
 8 the state;

9 (b) the business sells its products to in-state commercial and individual consumers for a price no greater
 10 than that for out-of-state purchasers, including any products that leave the state regardless of destination or
 11 purchaser; and

12 (c) the business does not enter into any agreement or contract that could actually or potentially command
 13 or commit all of its production to out-of-state consumers or interfere with or prohibit sales and provision of
 14 products to in-state consumers.

15 (3) The exemptions allowed under subsection (1) apply only to the property, income, and business
 16 activity attributable to the manufacture of ammunition components.

17

18 **NEW SECTION. Section 5. Tax exemptions for providing loans to manufacturer of ammunition**
 19 **components -- conditions.** (1) Subject to subsection (2), a lender or investor that provides loans to a person
 20 or entity in this state engaged in the primary business of the manufacture of ammunition components under the
 21 provisions of [section 4] is exempt from:

22 (a) individual income taxes as provided in Title 15, chapter 30; and

23 (b) corporate license or income tax as provided in Title 15, chapter 31.

24 (2) The exemption provided for in this section:

25 (a) does not apply to an employer's share of employee payroll taxes that are used to finance
 26 state-mandated programs, including unemployment insurance and workers' compensation; and

27 (b) may be claimed only for income attributable to providing a bona fide loan in an arm's-length
 28 transaction to a manufacturer of ammunition components that satisfies the conditions of [section 4].

29

30 **NEW SECTION. Section 6. Tort liability.** The provisions of 27-1-720 apply to ammunition components

1 manufactured in Montana.

2

3 NEW SECTION. **Section 7. Economic development.** The establishment of a primary business is a
4 qualified economic development purpose pursuant to 90-1-116 through 90-1-119 and Title 90, chapter 1, part 2.

5

6 NEW SECTION. **Section 8. Regulation of chemicals.** Pursuant to the legislative declarations of
7 authority set forth in 30-20-102, only Montana and the department of environmental quality may regulate the
8 chemicals used to manufacture ammunition components, and any use of those chemicals for those purposes may
9 not be regulated in the state by any agency of the United States.

10

11 **Section 9.** Section 15-6-219, MCA, is amended to read:

12 **"15-6-219. Personal and other property exemptions.** The following categories of property are exempt
13 from taxation:

14 (1) harness, saddlery, and other tack equipment;

15 (2) the first \$15,000 or less of market value of tools owned by the taxpayer that are customarily
16 hand-held and that are used to:

17 (a) construct, repair, and maintain improvements to real property; or

18 (b) repair and maintain machinery, equipment, appliances, or other personal property;

19 (3) all household goods and furniture, including but not limited to clocks, musical instruments, sewing
20 machines, and wearing apparel of members of the family, used by the owner for personal and domestic purposes
21 or for furnishing or equipping the family residence;

22 (4) a bicycle, as defined in 61-8-102, used by the owner for personal transportation purposes;

23 (5) items of personal property intended for rent or lease in the ordinary course of business if each item
24 of personal property satisfies all of the following:

25 (a) the acquired cost of the personal property is less than \$15,000;

26 (b) the personal property is owned by a business whose primary business income is from rental or lease
27 of personal property to individuals and no one customer of the business accounts for more than 10% of the total
28 rentals or leases during a calendar year; and

29 (c) the lease of the personal property is generally on an hourly, daily, weekly, semimonthly, or monthly
30 basis;

1 (6) space vehicles and all machinery, fixtures, equipment, and tools used in the design, manufacture,
2 launch, repair, and maintenance of space vehicles that are owned by businesses engaged in manufacturing and
3 launching space vehicles in the state or that are owned by a contractor or subcontractor of that business and that
4 are directly used for space vehicle design, manufacture, launch, repair, and maintenance; and

5 (7) a title plant owned by a title insurer or a title insurance producer, as those terms are defined in
6 33-25-105; and

7 (8) property used in the manufacture of ammunition components as provided in [section 4]."

8
9 **NEW SECTION. Section 10. Manufacturer of ammunition components -- exemption from**
10 **statewide property taxes.** As provided in [section 4], property used in the manufacture of ammunition
11 components is exempt from the property taxes levied for state educational purposes under 15-10-108, 20-9-331,
12 20-9-333, 20-9-360, and 20-25-439. The exemption must be administered and applied for as provided in
13 [sections 1 through 8].

14
15 **Section 11.** Section 15-30-2110, MCA, is amended to read:

16 **"15-30-2110. Adjusted gross income.** (1) Subject to subsection (13), adjusted gross income is the
17 taxpayer's federal adjusted gross income as defined in section 62 of the Internal Revenue Code, 26 U.S.C. 62,
18 and in addition includes the following:

19 (a) (i) interest received on obligations of another state or territory or county, municipality, district, or other
20 political subdivision of another state, except to the extent that the interest is exempt from taxation by Montana
21 under federal law;

22 (ii) exempt-interest dividends as defined in section 852(b)(5) of the Internal Revenue Code, 26 U.S.C.
23 852(b)(5), that are attributable to the interest referred to in subsection (1)(a)(i);

24 (b) refunds received of federal income tax, to the extent that the deduction of the tax resulted in a
25 reduction of Montana income tax liability;

26 (c) that portion of a shareholder's income under subchapter S. of Chapter 1 of the Internal Revenue
27 Code that has been reduced by any federal taxes paid by the subchapter S. corporation on the income;

28 (d) depreciation or amortization taken on a title plant as defined in 33-25-105;

29 (e) the recovery during the tax year of an amount deducted in any prior tax year to the extent that the
30 amount recovered reduced the taxpayer's Montana income tax in the year deducted;

1 (f) if the state taxable distribution of an estate or trust is greater than the federal taxable distribution of
2 the same estate or trust, the difference between the state taxable distribution and the federal taxable distribution
3 of the same estate or trust for the same tax period; and

4 (g) except for exempt-interest dividends described in subsection (2)(a)(ii), for tax years commencing after
5 December 31, 2002, the amount of any dividend to the extent that the dividend is not included in federal adjusted
6 gross income.

7 (2) Notwithstanding the provisions of the Internal Revenue Code, adjusted gross income does not
8 include the following, which are exempt from taxation under this chapter:

9 (a) (i) all interest income from obligations of the United States government, the state of Montana, or a
10 county, municipality, district, or other political subdivision of the state and any other interest income that is exempt
11 from taxation by Montana under federal law;

12 (ii) exempt-interest dividends as defined in section 852(b)(5) of the Internal Revenue Code, 26 U.S.C.
13 852(b)(5), that are attributable to the interest referred to in subsection (2)(a)(i);

14 (b) interest income earned by a taxpayer who is 65 years of age or older in a tax year up to and including
15 \$800 for a taxpayer filing a separate return and \$1,600 for each joint return;

16 (c) (i) except as provided in subsection (2)(c)(ii), the first \$3,600 of all pension and annuity income
17 received as defined in 15-30-2101;

18 (ii) for pension and annuity income described under subsection (2)(c)(i), as follows:

19 (A) each taxpayer filing singly, head of household, or married filing separately shall reduce the total
20 amount of the exclusion provided in subsection (2)(c)(i) by \$2 for every \$1 of federal adjusted gross income in
21 excess of \$30,000 as shown on the taxpayer's return;

22 (B) in the case of married taxpayers filing jointly, if both taxpayers are receiving pension or annuity
23 income or if only one taxpayer is receiving pension or annuity income, the exclusion claimed as provided in
24 subsection (2)(c)(i) must be reduced by \$2 for every \$1 of federal adjusted gross income in excess of \$30,000
25 as shown on their joint return;

26 (d) all Montana income tax refunds or tax refund credits;

27 (e) gain required to be recognized by a liquidating corporation under 15-31-113(1)(a)(ii);

28 (f) all tips or gratuities that are covered by section 3402(k) or service charges that are covered by section
29 3401 of the Internal Revenue Code of 1954, 26 U.S.C. 3402(k) or 3401, as amended and applicable on January
30 1, 1983, received by a person for services rendered to patrons of premises licensed to provide food, beverage,

- 1 or lodging;
- 2 (g) all benefits received under the workers' compensation laws;
- 3 (h) all health insurance premiums paid by an employer for an employee if attributed as income to the
4 employee under federal law;
- 5 (i) all money received because of a settlement agreement or judgment in a lawsuit brought against a
6 manufacturer or distributor of "agent orange" for damages resulting from exposure to "agent orange";
- 7 (j) principal and income in a medical care savings account established in accordance with 15-61-201
8 or withdrawn from an account for eligible medical expenses, as defined in 15-61-102, of the taxpayer or a
9 dependent of the taxpayer or for the long-term care of the taxpayer or a dependent of the taxpayer;
- 10 (k) principal and income in a first-time home buyer savings account established in accordance with
11 15-63-201 or withdrawn from an account for eligible costs, as provided in 15-63-202(7), for the first-time purchase
12 of a single-family residence;
- 13 (l) contributions withdrawn from a family education savings account or earnings withdrawn from a family
14 education savings account for qualified higher education expenses, as defined in 15-62-103, of a designated
15 beneficiary;
- 16 (m) the recovery during the tax year of any amount deducted in any prior tax year to the extent that the
17 recovered amount did not reduce the taxpayer's Montana income tax in the year deducted;
- 18 (n) if the federal taxable distribution of an estate or trust is greater than the state taxable distribution of
19 the same estate or trust, the difference between the federal taxable distribution and the state taxable distribution
20 of the same estate or trust for the same tax period;
- 21 (o) deposits, not exceeding the amount set forth in 15-30-3003, deposited in a Montana farm and ranch
22 risk management account, as provided in 15-30-3001 through 15-30-3005, in any tax year for which a deduction
23 is not provided for federal income tax purposes;
- 24 (p) income of a dependent child that is included in the taxpayer's federal adjusted gross income pursuant
25 to the Internal Revenue Code. The child is required to file a Montana personal income tax return if the child and
26 taxpayer meet the filing requirements in 15-30-2602.
- 27 (q) principal and income deposited in a health care expense trust account, as defined in 2-18-1303, or
28 withdrawn from the account for payment of qualified health care expenses as defined in 2-18-1303;
- 29 (r) that part of the refundable credit provided in 33-22-2006 that reduces Montana tax below zero; and
- 30 (s) the amount of the gain recognized from the sale or exchange of a mobile home park as provided in

1 15-31-163;

2 (t) income received from the manufacture of ammunition components by an entity, owner, or partner
3 engaged in the primary business of the manufacture of ammunition as provided in [section 4]; and

4 (u) income attributable to providing a bona fide loan in an arm's-length transaction to a manufacturer of
5 ammunition components as provided in [section 5].

6 (3) A shareholder of a DISC that is exempt from the corporation license tax under 15-31-102(1)(l) shall
7 include in the shareholder's adjusted gross income the earnings and profits of the DISC in the same manner as
8 provided by section 995 of the Internal Revenue Code, 26 U.S.C. 995, for all periods for which the DISC election
9 is effective.

10 (4) A taxpayer who, in determining federal adjusted gross income, has reduced the taxpayer's business
11 deductions by an amount for wages and salaries for which a federal tax credit was elected under sections 38 and
12 51(a) of the Internal Revenue Code, 26 U.S.C. 38 and 51(a), is allowed to deduct the amount of the wages and
13 salaries paid regardless of the credit taken. The deduction must be made in the year that the wages and salaries
14 were used to compute the credit. In the case of a partnership or small business corporation, the deduction must
15 be made to determine the amount of income or loss of the partnership or small business corporation.

16 (5) Married taxpayers filing a joint federal return who are required to include part of their social security
17 benefits or part of their tier 1 railroad retirement benefits in federal adjusted gross income may split the federal
18 base used in calculation of federal taxable social security benefits or federal taxable tier 1 railroad retirement
19 benefits when they file separate Montana income tax returns. The federal base must be split equally on the
20 Montana return.

21 (6) Married taxpayers filing a joint federal return who are allowed a capital loss deduction under section
22 1211 of the Internal Revenue Code, 26 U.S.C. 1211, and who file separate Montana income tax returns may
23 claim the same amount of the capital loss deduction that is allowed on the federal return. If the allowable capital
24 loss is clearly attributable to one spouse, the loss must be shown on that spouse's return; otherwise, the loss
25 must be split equally on each return.

26 (7) In the case of passive and rental income losses, married taxpayers filing a joint federal return and
27 who file separate Montana income tax returns are not required to recompute allowable passive losses according
28 to the federal passive activity rules for married taxpayers filing separately under section 469 of the Internal
29 Revenue Code, 26 U.S.C. 469. If the allowable passive loss is clearly attributable to one spouse, the loss must
30 be shown on that spouse's return; otherwise, the loss must be split equally on each return.

1 (8) Married taxpayers filing a joint federal return in which one or both of the taxpayers are allowed a
2 deduction for an individual retirement contribution under section 219 of the Internal Revenue Code, 26 U.S.C.
3 219, and who file separate Montana income tax returns may claim the same amount of the deduction that is
4 allowed on the federal return. The deduction must be attributed to the spouse who made the contribution.

5 (9) (a) Married taxpayers filing a joint federal return who are allowed a deduction for interest paid for a
6 qualified education loan under section 221 of the Internal Revenue Code, 26 U.S.C. 221, and who file separate
7 Montana income tax returns may claim the same amount of the deduction that is allowed on the federal return.
8 The deduction may be split equally on each return or in proportion to each taxpayer's share of federal adjusted
9 gross income.

10 (b) Married taxpayers filing a joint federal return who are allowed a deduction for qualified tuition and
11 related expenses under section 222 of the Internal Revenue Code, 26 U.S.C. 222, and who file separate Montana
12 income tax returns may claim the same amount of the deduction that is allowed on the federal return. The
13 deduction may be split equally on each return or in proportion to each taxpayer's share of federal adjusted gross
14 income.

15 (10) A taxpayer receiving retirement disability benefits who has not attained 65 years of age by the end
16 of the tax year and who has retired as permanently and totally disabled may exclude from adjusted gross income
17 up to \$100 a week received as wages or payments in lieu of wages for a period during which the employee is
18 absent from work due to the disability. If the adjusted gross income before this exclusion exceeds \$15,000, the
19 excess reduces the exclusion by an equal amount. This limitation affects the amount of exclusion, but not the
20 taxpayer's eligibility for the exclusion. If eligible, married individuals shall apply the exclusion separately, but the
21 limitation for income exceeding \$15,000 is determined with respect to the spouses on their combined adjusted
22 gross income. For the purpose of this subsection, "permanently and totally disabled" means unable to engage
23 in any substantial gainful activity by reason of any medically determined physical or mental impairment lasting
24 or expected to last at least 12 months.

25 (11) An individual who contributes to one or more accounts established under the Montana family
26 education savings program may reduce adjusted gross income by the lesser of \$3,000 or the amount of the
27 contribution. In the case of married taxpayers, each spouse is entitled to a reduction, not in excess of \$3,000, for
28 the spouses' contributions to the accounts. Spouses may jointly elect to treat half of the total contributions made
29 by the spouses as being made by each spouse. The reduction in adjusted gross income under this subsection
30 applies only with respect to contributions to an account of which the account owner, as defined in 15-62-103, is

1 the taxpayer, the taxpayer's spouse, or the taxpayer's child or stepchild if the taxpayer's child or stepchild is a
2 Montana resident. The provisions of subsection (1)(e) do not apply with respect to withdrawals of contributions
3 that reduced adjusted gross income.

4 (12) (a) A taxpayer may exclude the amount of the loan payment received pursuant to subsection
5 (12)(a)(iv), not to exceed \$5,000, from the taxpayer's adjusted gross income if the taxpayer:

6 (i) is a health care professional licensed in Montana as provided in Title 37;

7 (ii) is serving a significant portion of a designated geographic area, special population, or facility
8 population in a federally designated health professional shortage area, a medically underserved area or
9 population, or a federal nursing shortage county as determined by the secretary of health and human services
10 or by the governor;

11 (iii) has had a student loan incurred as a result of health-related education; and

12 (iv) has received a loan payment during the tax year made on the taxpayer's behalf by a loan repayment
13 program described in subsection (12)(b) as an incentive to practice in Montana.

14 (b) For the purposes of subsection (12)(a), a loan repayment program includes a federal, state, or
15 qualified private program. A qualified private loan repayment program includes a licensed health care facility, as
16 defined in 50-5-101, that makes student loan payments on behalf of the person who is employed by the facility
17 as a licensed health care professional.

18 (13) Notwithstanding the provisions of subsection (1), adjusted gross income does not include 40% of
19 capital gains on the sale or exchange of capital assets before December 31, 1986, as capital gains are
20 determined under subchapter P. of Chapter 1 of the Internal Revenue Code as it read on December 31, 1986.

21 (14) By November 1 of each year, the department shall multiply the amount of pension and annuity
22 income contained in subsection (2)(c)(i) and the federal adjusted gross income amounts in subsection (2)(c)(ii)
23 by the inflation factor for that tax year, but using the year 2009 consumer price index, and rounding the results
24 to the nearest \$10. The resulting amounts are effective for that tax year and must be used as the basis for the
25 exemption determined under subsection (2)(c). (Subsection (2)(f) terminates on occurrence of contingency--sec.
26 3, Ch. 634, L. 1983; subsection (2)(o) terminates on occurrence of contingency--sec. 9, Ch. 262, L. 2001.)"

27

28 **Section 12.** Section 15-31-113, MCA, is amended to read:

29 **"15-31-113. Gross income and net income.** (1) The term "gross income" means all income recognized
30 in determining the corporation's gross income for federal income tax purposes and:

1 (a) including:

2 (i) interest exempt from federal income tax and exempt-interest dividends as defined in section 852(b)(5)
3 of the Internal Revenue Code of 1986, as that section may be amended or renumbered;

4 (ii) the portion of gain from a liquidation of the reporting corporation not recognized for federal corporate
5 income tax purposes pursuant to sections 331 through 337 of the Internal Revenue Code, as those sections may
6 be amended or renumbered, attributable to stockholders, either individual or corporate, not subject to Montana
7 income or license tax under Title 15, chapter 30 or chapter 31, as appropriate, on the gain passing through to the
8 stockholders pursuant to federal law; and

9 (b) excluding:

10 (i) gain recognized for federal tax purposes as a shareholder of a liquidating corporation pursuant to
11 sections 331 through 337 of the Internal Revenue Code, as those sections may be amended or renumbered,
12 when the gain is required to be recognized by the liquidating corporation pursuant to subsection (1)(a)(ii) of this
13 section;

14 (ii) income received by a corporation from the manufacture of ammunition components if it is engaged
15 in the primary business of the manufacture of ammunition components as provided in [section 4]; and

16 (iii) income received by a corporation that is attributable to providing bona fide loans in arm's-length
17 transactions to manufacturers of ammunition components as provided in [section 5].

18 (2) The term "net income" means the gross income of the corporation less the deductions set forth in
19 15-31-114.

20 (3) A corporation is not exempt from the corporation license tax unless specifically provided for under
21 15-31-101(3) or 15-31-102. Any corporation not subject to or liable for federal income tax but not exempt from
22 the corporation license tax under 15-31-101(3) or 15-31-102 shall compute gross income for corporation license
23 tax purposes in the same manner as a corporation that is subject to or liable for federal income tax according to
24 the provisions for determining gross income in the federal Internal Revenue Code in effect for the taxable year."
25

26 **Section 13.** Section 27-1-720, MCA, is amended to read:

27 **"27-1-720. Liability -- defect in design of firearms or ammunition.** (1) In a products liability action,
28 no firearm, ammunition component that was manufactured in Montana as provided in [section 4], or ammunition
29 may be considered defective in design on the basis that the benefits of the product do not outweigh the risk of
30 injury posed by its potential to cause serious injury, damage, or death when discharged.

1 (2) For purposes of this section:

2 (a) the potential of a firearm or ammunition to cause serious injury, damage, or death when discharged
3 does not make the product defective in design; and

4 (b) injuries or damages resulting from the discharge of a firearm or ammunition are not proximately
5 caused by its potential to cause serious injury, damage, or death but are proximately caused by the actual
6 discharge of the product.

7 (3) The provisions of this section do not affect a products liability cause of action based upon the
8 improper selection of design alternatives."
9

10 **Section 14.** Section 90-1-118, MCA, is amended to read:

11 **"90-1-118. Small business eligibility criteria.** (1) To be eligible for a state matching grant under
12 90-1-117 through 90-1-119, a business shall provide evidence to the department of commerce that the business
13 meets all of the following criteria:

14 (1)(a) the business is a for-profit sole proprietorship, partnership, limited liability company, limited liability
15 partnership, or corporation registered with the secretary of state under Title 35 and has its principal place of
16 business in this state;

17 (2)(b) the business has received a phase I award under a small business innovative research grant or
18 small business technology transfer grant from a participating federal agency in response to a specific federal
19 solicitation;

20 (3)(c) the business meets all federal eligibility requirements for a small business innovative research
21 grant or a small business technology transfer grant;

22 (4)(d) the business is not concurrently receiving funding from other state funding programs that duplicate
23 the purpose stated in 90-1-117;

24 (5)(e) the business certifies that at least 51% of the research described in the business's proposal for
25 phase II funding under a small business innovative research grant or small business technology transfer grant
26 is to be conducted in this state and that the business will remain a Montana-based business for the duration of
27 a phase II project under a small business innovative research grant or small business technology transfer grant;
28 and

29 (6)(f) the business demonstrates an ability to conduct research for the business's phase II proposal under
30 the small business innovative research grant or small business technology transfer grant.

1 ~~(2) As provided in [section 7], manufacturing ammunition components is a qualified economic~~
2 ~~development purpose."~~

3

4 **Section 15.** Section 90-1-202, MCA, is amended to read:

5 "**90-1-202. Purpose.** ~~(1)~~ The legislature finds and declares that economic development is a public
6 purpose. The purpose of the big sky economic development program is to assist in economic development for
7 Montana that will:

8 ~~(1)(a)~~ create good-paying jobs for Montana residents;

9 ~~(2)(b)~~ promote long-term, stable economic growth in Montana;

10 ~~(3)(c)~~ encourage local economic development organizations;

11 ~~(4)(d)~~ create partnerships between the state, local governments, tribal governments, and local economic
12 development organizations that are interested in pursuing these same economic development goals;

13 ~~(5)(e)~~ retain or expand existing businesses;

14 ~~(6)(f)~~ provide a better life for future generations through greater economic growth and prosperity in
15 Montana; and

16 ~~(7)(g)~~ encourage workforce development, including workforce training and job creation, in high-poverty
17 counties by providing targeted assistance.

18 ~~(2) As provided in [section 7], manufacturing ammunition components is a qualified economic~~
19 ~~development purpose."~~

20

21 **NEW SECTION. Section 16. Codification instruction.** (1) [Sections 1 through 8] are intended to be
22 codified as an integral part of Title 30, chapter 20, and the provisions of Title 30, chapter 20, apply to [sections
23 1 through 8].

24 (2) [Section 10] is intended to be codified as an integral part of Title 15, chapter 24, and the provisions
25 of Title 15, chapter 24, apply to [section 10].

26

27 **NEW SECTION. Section 17. Severability.** If a part of [this act] is invalid, all valid parts that are
28 severable from the invalid part remain in effect. If a part of [this act] is invalid in one or more of its applications,
29 the part remains in effect in all valid applications that are severable from the invalid applications.

30

1 NEW SECTION. **Section 18. Effective date.** [This act] is effective on passage and approval.

2

3 NEW SECTION. **Section 19. Retroactive applicability -- applicability.** (1) For the purposes of
4 exemption from individual income taxes and corporation taxes pursuant to [sections 4 and 5], [this act] applies
5 retroactively, within the meaning of 1-2-109, to tax years beginning after December 31, 2012.

6 (2) For the purposes of exemption from all other taxes, [this act] applies to tax years beginning after
7 December 31, 2013.

8

- END -

1 HOUSE RESOLUTION NO. 5
2 INTRODUCED BY K. KERNS

3
4 A RESOLUTION OF THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA INVITING
5 FIREARMS MANUFACTURERS AND FIREARMS ACCESSORY MANUFACTURERS THREATENED BY
6 HOSTILE LAWS IN OTHER STATES TO MOVE TO MONTANA.

7
8 WHEREAS, some states have enacted laws or are considering enacting laws that would prohibit the
9 possession of certain firearms or of certain firearms accessories; and

10 WHEREAS, these laws may make it impossible for existing manufacturers to remain in or legally do
11 business in those states; and

12 WHEREAS, many firearms and firearms accessory manufacturers are examining options for relocating
13 their manufacturing to a more firearms-friendly location; and

14 WHEREAS, Montana is a firearms-friendly state with a good legal infrastructure for firearms possession,
15 use, and manufacture; and

16 WHEREAS, Montana has a well-educated workforce of people with a strong work ethic and with a culture
17 of firearms knowledge and tolerance; and

18 WHEREAS, Montana offers space, beauty, and a great place to live and work.

19

20 NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF THE STATE OF
21 MONTANA:

22 That Montana says to threatened firearms manufacturers and firearms accessory manufacturers: "Come
23 to Montana. We want you here!".

24 BE IT FURTHER RESOLVED, that Montana says: "Montana is open for business for manufacturers of
25 firearms and firearms accessories".

26 BE IT FURTHER RESOLVED, that the Secretary of State is encouraged to coordinate with
27 firearms-related groups and businesses existing in Montana to develop contacts with manufacturers of firearms
28 and firearms accessories in other states and deliver this resolution to them.

29 BE IT FURTHER RESOLVED, that Governor Steve Bullock is urged to actively seek out any
30 manufacturers of firearms and firearms accessories to encourage them to move to Montana and to aid these

1 manufacturers in relocation in whatever way may be possible.

2 - END -

Colorado gun magazine manufacturer, Magpul Industries, says it's moving operations

Posted: 03/21/2013

Last Updated: 1 day ago

BOULDER, Colo. - A Colorado company that makes gun magazines says it expects to begin making magazines out of state within 30 days.

Gun accessory manufacturer, Magpul Industries, posted on its Facebook page that it is "actively working" on plans to move now that Colorado Governor John Hickenlooper has signed three gun control bills -- one of which limits magazines to 15 rounds.

"We will start our transition out of the state almost immediately, and we will prioritize moving magazine manufacturing operations first," Magpul posted on its Facebook this week. "We expect the first PMAGs to be made outside CO within 30 days of the signing, with the rest to follow in phases. We will likely become a multi-state operation as a result of this move, and not all locations have been selected."

A search found at least five Facebook groups asking Magpul to move to their states. "Magpul Industries - Texas Wants You" has 2,046 likes. "Bring Magpul Industries to Alabama" has 1,551 likes. The group's page says, "This is a grassroots effort to help bring Magpul Industries to the great State of Alabama!"

Magpul is based in Erie. It has about 200 workers.

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