

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: Sen CS for CSHB 280
() Publish Date: _____

Identifier (file name): HB 280-DNR-OG-04-10-10

Title Cook Inlet Recovery Act
Dept. Affected: Natural Resources
RDU Resource Development
Component Oil and Gas Development
Sponsor Rep. Hawker, Chenault, et al.
Requester (H) Labor & Commerce Committee
Component Number 439

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
		FY 2011	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
OPERATING EXPENDITURES	FY 2011	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES							
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CHANGE IN REVENUES ()			Indeterminate				
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2010) cost: _____

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: (Attach a separate page if necessary)

Senate CS for CSHB 280 offers tax credits for Cook Inlet gas storage facilities and provides a 40 percent production tax credits intended to promote gas exploration and production in the Cook Inlet.

There is no anticipated fiscal impact to the Division of Oil and Gas for the management of gas storage on state land. However, Sec 3 of the bill will provide a ten year "holiday" on all storage fees and rentals for the storage lease. Also, the accounting convention described in this section means that "non-native" gas will be withdrawn from storage first and no royalty revenue will accrue to "native" gas until all non-native gas is withdrawn. How industry will respond to the tax credits offered by this bill is unknown, therefore, the impact on fees, rents, and royalty revenues is indeterminate.

Prepared by: Kevin Banks Phone 269-8800
Division: Director Date/Time 4/10/10 4:00 PM
Approved by: _____ Date _____
Natural Resources