

Fiscal Note

State of Alaska
2014 Legislative Session

Bill Version: SB 138
Fiscal Note Number: _____
() Publish Date: _____

Identifier: SB138-CS(RES)-DOR-TRS-03-04-14
Title: GAS PIPELINE; AGDC; OIL & GAS PROD. TAX
Sponsor: RLS BY REQUEST OF THE GOVERNOR
Requester: Governor

Department: Department of Revenue
Appropriation: Taxation and Treasury
Allocation: Treasury Division
OMB Component Number: 121

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2015 Appropriation Requested	Included in Governor's FY2015 Request	Out-Year Cost Estimates					
			FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
OPERATING EXPENDITURES								
Personal Services				***	***	***	***	***
Travel								
Services	500.0		150.0					
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	500.0	0.0	150.0	***	***	***	***	***

Fund Source (Operating Only)

1004 Gen Fund	500.0		150.0					
Total	500.0	0.0	150.0	***	***	***	***	***

Positions

Full-time								
Part-time								
Temporary								

Change in Revenues								
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Estimated SUPPLEMENTAL (FY2014) cost: 0.0 *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2015) cost: 0.0 *(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? No
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

Initial note to reflect resident option to invest.
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Division:	Treasury	Date:	03/04/2014 10:00 AM
Approved By:	Mike Pawlowki, Deputy Commissioner	Date:	03/04/14
Agency:	Revenue		

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. CSSB 138

Analysis

This bill would help the state move forward as a partner in a large natural gas project, including liquefaction facilities. While the bill itself has numerous sections that affect other departments or corporation in the state, the analysis done for this fiscal note is limited to the provision in the bill that pertains to the development of a plan for residents to participate in the ownership of a north slope natural gas pipeline. The plan must include recommendations by the Commissioner of Revenue regarding :

- How individuals can qualify as a resident that can invest in the pipeline
- How a resident may invest in the pipeline
- The entity through which ownership should be acquired
- The notification process to residents acquiring ownership
- Ownership transferability
- If residents' ownership is via the State's interest in the pipeline, how income or dividends will be shared with resident owners
- If residents' ownership is via a publicly traded corporation that has an ownership interest in the pipeline, how those publicly traded corporations will be identified .

In order to develop the above recommendations , the department will require substantial subject matter expertise in order to come up with a plan at the time a contract is submitted. The department estimate that these contracted services will cost \$500,000 during FY15 and \$150,000 during FY16.