

Fiscal Note

State of Alaska
2013 Legislative Session

Bill Version: SB 21
Fiscal Note Number: _____
() Publish Date: _____

Identifier: SB021CS(RES)-DOR-COMM-02-26-13
Title: OIL AND GAS PRODUCTION TAX
Sponsor: RLS BY REQUEST OF THE GOVERNOR
Requester: Senate Resources

Department: Department of Revenue
Appropriation: Administration and Support
Allocation: Commissioner's Office
OMB Component Number: 123

Expenditures/Revenues

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

| | FY2014 | Included in | Out-Year Cost Estimates | | | | |
|-------------------------------|-------------------------|---------------------------|-------------------------|----------------|----------------|----------------|----------------|
| | Appropriation Requested | Governor's FY2014 Request | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 |
| OPERATING EXPENDITURES | FY 2014 | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 |
| Personal Services | | 157.8 | 157.8 | 157.8 | 157.8 | 157.8 | 157.8 |
| Travel | 18.6 | | 36.7 | 36.7 | 36.7 | 36.7 | 36.7 |
| Services | 835.0 | | 835.0 | 835.0 | 835.0 | 835.0 | 835.0 |
| Commodities | 50.0 | | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 |
| Capital Outlay | | | | | | | |
| Grants & Benefits | | | | | | | |
| Miscellaneous | | | | | | | |
| Total Operating | 903.6 | 157.8 | 1,049.5 | 1,049.5 | 1,049.5 | 1,049.5 | 1,049.5 |

Fund Source (Operating Only)

| | | | | | | | |
|---------------|--------------|--------------|----------------|----------------|----------------|----------------|----------------|
| 1004 Gen Fund | 903.6 | 157.8 | 1,049.5 | 1,049.5 | 1,049.5 | 1,049.5 | 1,049.5 |
| Total | 903.6 | 157.8 | 1,049.5 | 1,049.5 | 1,049.5 | 1,049.5 | 1,049.5 |

Positions

| | | | | | | | |
|-----------|--|-----|-----|-----|-----|-----|-----|
| Full-time | | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| Part-time | | | | | | | |
| Temporary | | | | | | | |

| | | | | | | | |
|---------------------------|--|--|--|--|--|--|--|
| Change in Revenues | | | | | | | |
|---------------------------|--|--|--|--|--|--|--|

Estimated SUPPLEMENTAL (FY2013) cost: 0.0

Estimated CAPITAL (FY2014) cost: 0.0

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If yes, by what date are the regulations to be adopted, amended or repealed?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 version. Committee substitute added language requiring an additional fiscal note from Revenue.

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|---|---------------------------|
| Prepared By: Jerry Burnett, Director | Phone: (907)465-2312 |
| Division: Administrative Services | Date: 02/26/2013 09:15 AM |
| Approved By: Bryan D. Butcher, Commissioner | Date: 02/26/13 |
| Department of Revenue | |

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2013 LEGISLATIVE SESSION

BILL NO. SB 21 CS (RES)

Analysis

The bill establishes a nine member Oil and Gas Competitiveness Review Board, in the Department of Revenue, which is charged with establishing and maintaining a salient collection of information related to oil and gas exploration, development, and production in the state and related to tax structures, rates, and credits in other regions with oil and gas resources; evaluating and suggesting changes to state laws and regulations reviewing historical, current, and potential levels of investment in the state's oil and gas sector; identifying factors that affect investment in oil and gas exploration, development, and production in the state, including tax structure, rates, and credits; royalty requirements; infrastructure; workforce availability; and regulatory requirements; reviewing the competitive position of the state to attract and maintain investment in the oil and gas sector in the state as compared to the competitive position of other regions with oil and gas resources. The Board is required to meet at least four times per year and to provide a report by December 1 of each year regarding means for increasing the state's ability to attract and maintain investment in and development of the state's oil and gas resources.

To accomplish these tasks the Department would use existing professional staff, primarily the Oil and Gas Program Coordinator currently in the Commissioner's Office, and funding to provide board meeting and travel, space and overhead costs associated with the data room and funding for professional services contracts.

The fiscal note assumes four board meetings per year, two in Anchorage, one each in Juneau and Fairbanks.

Professional service costs are estimated based on previous consulting contracts for oil and gas related issues that have been executed by the Department of Revenue.