

Natural Resources

Applicable Program

Oil and Gas

Indirect Expenditure Name

Royalty Modification for Nikaitchuq Unit

Department of Revenue Submission per AS 43.05.095
(1) Description of Provision

Royalty Modification for Nikaitchuq Unit

(2) Type

Discount

(3) Authorizing Statute, Regulation or Other Authority

AS 38.05.180(f)(1)(A), (2), (3), (4)(A), (5)

(4) Year Enacted

2008

(5) Sunset or Repeal Date

None

(6) Legislative Intent

To allow the Commissioner royalty modification on individual leases.

(7) Public Purpose

Stimulate increased production on ANS.

(8) Estimated Revenue Impact

FY 2011 - \$0

FY 2012 - \$0

FY 2013 - \$0

FY 2014 - \$0

FY 2015 - \$0

(9) Cost to Administer
(10) Number of Beneficiaries / Who Benefits

None

Legislative Finance Analysis per AS 24.20.235
(1) Estimate of Annual Revenue Foregone by the State

\$0

(2) Estimate of Annual Monetary Benefit to Recipients

\$0

(3) Legislative Intent Met?

No, as the program has not been used.

(4) Should it be Continued, Modified or Terminated?

Recommend continuation. While royalty relief has not yet been used, exploration in the unit is ongoing.