

Fiscal Note

State of Alaska
2017 Legislative Session

Bill Version:	CSHB 173(STA)
Fiscal Note Number:	3
(H) Publish Date:	5/10/2017

Identifier: HB173-DOR-TAX-04-07-17
 Title: CLIMATE CHANGE COMMISSION
 Sponsor: JOSEPHSON
 Requester: House State Affairs

Department: Department of Revenue
 Appropriation: Taxation and Treasury
 Allocation: Tax Division
 OMB Component Number: 2476

Expenditures/Revenues

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

	FY2018	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2018 Request	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
OPERATING EXPENDITURES	FY 2018	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
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 (Operating Only)

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

1250 UGF Rev (UGF)	1,512.0		1,475.0	1,432.0	1,373.0	1,321.0	1,259.0
Total	1,512.0	0.0	1,475.0	1,432.0	1,373.0	1,321.0	1,259.0

Estimated SUPPLEMENTAL (FY2017) cost: 0.0 *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2018) cost: 50.0 *(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 If yes, by what date are the regulations to be adopted, amended or repealed?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 version.

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Division:	Tax Division	Date:	04/07/2017 04:30 PM
Approved By:	Jerry Burnett, Deputy Commissioner	Date:	04/07/17
Agency:	Department of Revenue		

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2017 LEGISLATIVE SESSION

Analysis

Bill Overview

This bill would create the Alaska Climate Change Response Commission, which would administer the Climate Change Response Fund, a new subfund of the general fund.

Under this bill, the legislature may appropriate 50 percent of revenue from the conservation surcharge levied under AS 43.55.211 and collected by the Tax Division along with the oil and gas production tax. Currently, 100% of conservation surcharge revenue may be appropriated to the oil and hazardous substance release prevention and response fund; under this bill that fund would receive 50 percent of revenue. This bill increases the amount of the conservation surcharge from \$0.01 to \$0.02 per taxable barrel of oil produced in the state. Thus, the amount of revenue available for the oil and hazardous substance release prevention and response fund would not change under this bill.

Currently, the conservation surcharge is collected only when the balance of the oil and hazardous substance release prevention and response fund is less than \$50 million; this bill increases that threshold balance to \$100 million.

Revenues

Based on the fall 2016 revenue and production forecast, an additional \$1.3 to \$1.5 million annually would be generated by the conservation surcharge increase in this bill. This revenue is shown as General Fund, and may be appropriated each year for the desired purpose by the legislature. The estimated revenue is tied to the oil production forecast and under the fall 2016 forecast, production is expected to decline over time.

Expenditures

The Tax Division would incur one-time costs of approximately \$50,000 for contractual costs for reprogramming of the Tax Revenue Management System.