FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:	
Bill Version:	**CSHB 280(L&C)**
() Publish Date:	

Identifier (file name):	CSHB280-DNR-DOG-03-05-10	Dept. Affected:	Natural Resources
Title	Cook Inlet Recovery Act	RDU	Resource Development
		Component	Oil and Gas Development
Sponsor	Rep. Hawker and Chenault		
Requester	HRES	Component Number	439

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
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							
CHANGE IN REVENUES ( )	**indeterminate**						

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)*

HB 280 offers tax credits for Cook Inlet gas storage facilities and attempts 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. 4 of the bill will provide a ten year "holiday" on all storage fees and rentals for the storage lease. Also, the accounting convention described means that "non-native" gas will be withdrawn from storage first and no royalty revenue will acrue to "native" gas until all non-native gas is withdrawn.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 negative indeterminate.

Prepared by:	Kevin Banks, Director	Phone	269-8800
Division	Oil and Gas	Date/Time	3/5/10 12:00 PM
Approved by:	Tom Irwin, Commissioner	Date	3/5/2010
	Natural Resources		