

# FISCAL NOTE

**STATE OF ALASKA**  
**2012 LEGISLATIVE SESSION**

Bill Version  
 Fiscal Note Number  
 () Publish Date

**HB289**

Identifier (file name)	HB289-DNR-MLW-02-17-12	Dept. Affected	Department of Natural Resources
Title	Natural Gas Storage Tax Credit/Regulation	Appropriation	Land & Water Resources
		Allocation	Mining Land & Water
Sponsor	Rep. Thompson		
Requester	House Resources	OMB Component Number	3002

**Expenditures/Revenues** (Thousands of Dollars)

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

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates				
			FY13	FY13	FY14	FY15	FY16
<b>OPERATING EXPENDITURES</b>							
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants, Benefits							
Miscellaneous							
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	***	***	***	***	***

<b>FUND SOURCE</b>		(Thousands of Dollars)					
1002	Federal Receipts						
1003	GF Match						
1004	GF						
1005	GF/Prgm (DGF)						
1037	GF/MH (UGF)						
1178	temp code (UGF)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	***	***	***	***	***

<b>POSITIONS</b>							
Full-time		0					
Part-time		0					
Temporary		0					

<b>CHANGE IN REVENUES</b>	(12.5)	***	***	***	***	***	***
		0.0					

**Estimated SUPPLEMENTAL (FY12) operating costs** 0.0 (separate supplemental appropriation required)  
*(discuss reasons and fund source(s) in analysis section)*

**Estimated CAPITAL (FY13) costs** 0.0 (separate capital appropriation required)  
*(discuss reasons and fund source(s) in analysis section)*

**Why this fiscal note differs from previous version (if initial version, please note as such)**

Initial Version

Prepared by	Brent Goodrum, Division Director	Phone (907) 269-8625
Division	Mining Land & Water	Date/Time 02-17-2012/ 5:00
Approved by	Daniel S. Sullivan, Commissioner	Date 2/18/2012
	Department of Natural Resources	

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**BILL NO. HB289**

**Analysis**

HB 289 creates an exemption from land lease payments (for leases issued under AS 38.05.070-105), for up to ten calendar years from date of issuance, for lands leased for gas storage facilities (other than under AS 38.05.180(u)).

This lease payment exemption will reduce revenues equal to the lease payments due to the state related to these types of leases for the years the exemption is allowed. Currently there is one qualifying lease with an annual rent of \$12,500 based on the fair market value of the land leased. The total fiscal impact of this proposed legislation after FY 13 is indeterminate because the number of gas storage leases that may be issued in the future is unknown. Future leases may be issued under oil and gas leases issued under AS 38.05.180.

The legislation will not affect the lease issuance or maintenance operations of the department.