

FISCAL NOTE

STATE OF ALASKA 2012 LEGISLATIVE SESSION

Bill Version
Fiscal Note Number
(-) Publish Date

CS HB009

Identifier (file name)	HB009CS-DOR-AHFC-02-08-12	Dept. Affected	Revenue
Title	In-State Gasline Development Corp.	Appropriation	Alaska Housing Finance Corp.
		Allocation	Alaska Gasline Development Corp.
Sponsor	Representative Chenault		
Requester	(H) RES	OMB Component Number	2986

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
OPERATING EXPENDITURES							
Personal Services		1,207.2	5,000.0	5,200.0	5,400.0	5,600.0	5,800.0
Travel							
Services		2,422.2	6,000.0	6,000.0	6,000.0	6,000.0	6,000.0
Commodities							
Capital Outlay							
Grants, Benefits							
Miscellaneous							
TOTAL OPERATING	0.0	3,629.4	11,000.0	11,200.0	11,400.0	11,600.0	11,800.0

FUND SOURCE		(Thousands of Dollars)					
1002	Federal Receipts						
1003	GF Match						
1004	GF						
1005	GF/Prgm (DGF)						
1037	GF/MH (UGF)						
1178	temp code (UGF)	3,629.4	11,000.0	11,200.0	11,400.0	11,600.0	11,800.0
	TOTAL	0.0	3,629.4	11,000.0	11,200.0	11,400.0	11,600.0

POSITIONS						
Full-time			21			
Part-time						
Temporary						

CHANGE IN REVENUES						
Estimated SUPPLEMENTAL (FY12) operating costs (discuss reasons and fund source(s) in analysis section)		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 21,000.0 (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)

Updated for version U.

Prepared by	Joe Dubler, Vice President and Chief Financial Officer	Phone 907.330.6303
Division	Alaska Gasline Development Corporation	Date/Time 2/8/12 11:00 AM
Approved by	Dan Fauske, President, AGDC	Date 2/8/2012
	Department of Revenue	

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BILL NO. CS HB009

Analysis

CSHB 9 is an omnibus bill that is necessary for the Alaska Gasline Development Corporation's (AGDC) to continue its statutory mission of bringing natural gas from the Alaska North Slope to Fairbanks and Southcentral Alaska including:

Determine the ownership and operating structure and enter into agreements relating to ownership and operation;

Exercise eminent domain;

Acquire property and rights necessary or convenient for owning or operating the pipeline;

Dispose of the pipeline project or other assets.

Add powers to enable AGDC to issue bonds without limitation to further its purposes;

Add language to protect the State, the various subdivisions of the state and the Alaska Housing Finance Corporation (AHFC) from any liability for the actions of AGDC;

Establish an "in-state natural gas pipeline fund" where money can be appropriated and used for AGDC's purposes;

Modify the Alaska Natural Gas Development Authority (ANGDA) statutes to bring it under the control of the AHFC board of directors and gives the ANGDA the ability to pledge royalty gas owned by the state;

Exempts contracts by the Alaska Natural Gas Development Authority (ANGDA) from the provisions of AS 36.30, the procurement code. AGDC is already exempt from the state procurement code.

Replaces the Joint In-State Gasline Development Team with AGDC;

Allow AGDC to operate the pipeline as a common carrier that is not subject to regulation by the Regulatory Commission of Alaska;

Give AGDC the ability to enter into confidentiality agreements and keep information confidential and not subject to disclosure under the Public Records Act (AS 40.25);

Adds language that is intended to limit the ability of those with objections to natural gas pipeline construction to stop necessary projects;

Allows those who have standing to bring about an action alleging that an action will deny rights under the state Constitution or challenging the invalidity of this section.

Changes the compensation of board members for AHFC;

Taxable property of a natural gas pipeline developed by the Alaska Gasline Development Corporation is exempt from state or local taxes until the first natural gas flows in the project generating revenue to the owners of the natural gas pipeline project;

Repeals the Statute creating the Joint In-State Gasline Development Team;

Repeals Section 1 of Ballot Measure No. 3; and

Provides for an immediate effective date.

While this Fiscal Note indicates a relatively small fiscal impact in the current year, it should be noted that the 2010 Legislature appropriated \$200 million to a fund that would be created under this bill.