

FISCAL NOTE

Bill Version: HCSCSSB 134 (FIN)
 (H) Publish Date: 5/13/99

**STATE OF ALASKA
 1999 LEGISLATIVE SESSION**

Revision Date/Time (Note if correction) Revised 5/12/99 Dept. Affected _____ Dept. of Admin _____
 Title Well Regulatory Cost Charge/Cons. Tax BRU AOGCC
 Component AOGCC
 Sponsor Senator Pearce
 Requester House FIN Component Serial No. 2010

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Personal Services	1,832.9	1,832.9	1,832.9	1,832.9	1,832.9	1,832.9
Travel	139.0	139.0	139.0	139.0	139.0	139.0
Contractual	656.3	656.3	656.3	656.3	656.3	656.3
Supplies	23.0	23.0	23.0	23.0	23.0	23.0
Equipment	50.1	50.1	50.1	50.1	50.1	50.1
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	2,701.3	2,701.3	2,701.3	2,701.3	2,701.3	2,701.3

CAPITAL EXPENDITURES Stat Desig	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
	321.9	0.0	0.0	0.0	0.0	0.0

CHANGE IN REVENUES ()	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	100.0	100.0	100.0	100.0	100.0	100.0
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
1108 Stat Desig	2,601.3	2,601.3	2,601.3	2,601.3	2,601.3	2,601.3
TOTAL	2,701.3	2,701.3	2,701.3	2,701.3	2,701.3	2,701.3

Estimate of any current year (FY99) cost: _____

POSITIONS

Full-time	23	23	23	23	23	23
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)
 (See Attached)

Prepared by Sharon Barton, Director
 Division Administrative Services
 Approved by Commissioner
 Agency _____

Phone 465-5654
 Date/Time _____
 Date 5/13/99 5/13/99

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STATE OF ALASKA
1999 LEGISLATIVE SESSION
Analysis

BILL NO. HCS CSSB 134 (FIN) 

This bill provides for the AOGCC to set and collect a regulatory cost charge from companies operating oil and gas wells in the State of Alaska, and to use the collections to fund the operating costs of the agency. This will change the primary AOGCC operating budget fund source from General Fund to Statutory Designated Program Receipts.

The AOGCC is the state oversight agency for all subsurface activity in the state and provides permits to drill, well workovers, reservoir management, data management, inspection of drilling activities, gas flaring, conservation measures, and protection of lessees rights. The proposed funding mechanism is a more representative way of allocating our costs among those who require our services. Our workload is directly related to industry activity and under this plan would be paid for directly by industry. It recognizes the long-term effort required of the Commission to follow the events that constitute the lifetime of a well and its reservoir. The expenditures are minimums required to provide adequate oversight and to comply with the Oil and Gas Conservation Act.

Operating Budget

This fiscal note includes a FY2000 operating budget increment of \$811.1. The operating budget increment includes funding for four new positions (338.3), increased inspector travel (34.5), professional services funding for reservoir management projects and for records management and electronic data conversion (200.0), rent for new office space (147.0), membership dues for the Interstate Oil and Gas Compact Commission and the Ground Water Protection Council (65.0), office and computer supplies for the four new positions (4.5), and funding for new computers for the four new positions and for computer and software upgrades necessary for reservoir management (21.8).

Capital Budget

The capital request of \$321.9 is for funding necessary to relocate the AOGCC offices.