

FISCAL NOTE

No. 1
 Bill Version: 5B242
 (S) Publish Date: 2/10/00

**STATE OF ALASKA
 2000 LEGISLATIVE SESSION**

Revision Date/Time (Note if correction) _____	Dept. Affected _____	Revenue _____
Title <u>Pipeline Property Tax</u>	BRU _____	Operations _____
<u>Used for Revenue Sharing</u>	Component _____	Oil and Gas Audit _____
Sponsor <u>Sen. Dave Donley</u>	_____	
Requester <u>Senate Community and Regional Affairs</u>	Component No. _____	115 _____

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
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

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

FUND SOURCE	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2000) cost: _____

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This legislation would require the Department of Revenue to separately account for the money collected under AS 43.56 (Oil and Gas Exploration, Production and Pipeline Transportation Property Taxes). The money then would be available for legislative appropriation through the Safe Communities Program.

The state portion of the taxes collected under AS 43.56 was \$43.8 million in FY 1999, and is projected at \$45.7 million in FY 2000 and \$43.8 million in FY 2001.

The legislation would take effect only if the ballot initiative for a statewide municipal property tax cap passes in the November 2000 general election. Though the tax cap would not impact the state's oil and gas property tax rate, it would increase the state's share of the tax by limiting the municipal tax rate on oil and gas property. The department estimates that the municipal share of oil and gas property taxes could drop \$10 million in FY 2000 if the initiative passes, with that \$10 million going instead to the state treasury.

Prepared by:	<u>Larry Persily, Deputy Commissioner</u>	Phone <u>465-5469</u>
Division:	<u>Department of Revenue</u>	Date/Time <u>2/8/00 12:52 PM</u>
Approved by:	<u>Commissioner Wilson Condon</u>	Date _____
Agency:	<u>Department of Revenue</u>	

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