

# FISCAL NOTE

**STATE OF ALASKA**  
**2001 LEGISLATIVE SESSION**

Fiscal Note Number: 1  
 Bill Version: HB 3  
 (H) Publish Date: 3/13/01

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Revenue  
 Title: Deposit to the Permanent Fund BRU: Revenue Operations  
 Component: Tax Division  
 Sponsor: Representative Rokeberg  
 Requester: House State Affairs Component Number: 2476

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

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

| OPERATING EXPENDITURES | FY 2002    | FY 2003    | FY 2004    | FY 2005    | FY 2006    | FY 2007    |
|------------------------|------------|------------|------------|------------|------------|------------|
| Personal Services      |            |            |            |            |            |            |
| Travel                 |            |            |            |            |            |            |
| Contractual            |            |            |            |            |            |            |
| Supplies               |            |            |            |            |            |            |
| Equipment              |            |            |            |            |            |            |
| Land & Structures      |            |            |            |            |            |            |
| Grants & Claims        |            |            |            |            |            |            |
| Miscellaneous          |            |            |            |            |            |            |
| <b>TOTAL OPERATING</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> |

|                             |  |  |  |  |  |  |
|-----------------------------|--|--|--|--|--|--|
| <b>CAPITAL EXPENDITURES</b> |  |  |  |  |  |  |
|-----------------------------|--|--|--|--|--|--|

|                               |                 |                 |                 |                 |                 |                 |
|-------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>CHANGE IN REVENUES ( )</b> | <b>40,000.0</b> | <b>43,700.0</b> | <b>40,200.0</b> | <b>38,600.0</b> | <b>27,200.0</b> | <b>24,900.0</b> |
|-------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|

**FUND SOURCE** (Thousands of Dollars)

|                          |            |            |            |            |            |            |
|--------------------------|------------|------------|------------|------------|------------|------------|
| 1002 Federal Receipts    |            |            |            |            |            |            |
| 1003 GF Match            |            |            |            |            |            |            |
| 1004 GF                  |            |            |            |            |            |            |
| 1005 GF/Program Receipts |            |            |            |            |            |            |
| 1037 GF/Mental Health    |            |            |            |            |            |            |
| Other (Specify Type)     |            |            |            |            |            |            |
| <b>TOTAL</b>             | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> |

Estimate of any current year (FY2001) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2002 budget proposal:

**POSITIONS**

|           |  |  |  |  |  |  |
|-----------|--|--|--|--|--|--|
| Full-time |  |  |  |  |  |  |
| Part-time |  |  |  |  |  |  |
| Temporary |  |  |  |  |  |  |

**ANALYSIS:** (Attach a separate page if necessary)

This legislation would amend AS 37.13.010(1) and (2) to reduce deposits to the Permanent Fund from 50% to 25% from all state mineral lease royalties, rentals and bonuses (including the state's share of such revenues from federal leases) from leases issued after Dec. 1, 1979.

The estimates in this fiscal note are based on oil price and production assumptions used in the Department of Revenue Fall 2000 forecast. The actual revenue effect to the general fund will be sensitive to future oil prices and production. Estimates of the effect of this statutory change suggest that the revenue increase to the state general fund will range between \$25 million and \$45 million per year assuming oil prices average \$15 to \$25 per barrel.

The increase in revenue to the general fund under this bill will mean an equal decrease in deposits to the Permanent Fund.

Prepared by: Charles Logson, Chief Economist Phone 907 269 1019  
 Division: Tax Division Date/Time 3/3/01 11:00 AM  
 Approved by: Larry Persily, Deputy Commissioner Date 03/05/2001  
 Agency: Department of Revenue

For distribution information, call the Governor's Legislative Office