

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: 2
 Bill Version: CSHB 395(RES)
 (H) Publish Date: 4/19/04

Revision Date/Time (Note if correction): 4/19/2004 Dept. Affected: Natural Resources
 Title: Shallow Natural Gas RDU: Resource Development
 Component: Oil and Gas Development
 Sponsor: Harris, Gatto, Stoltze, Seaton
 Requester: House Resources Component No.: 439

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services						
Travel						
Contractual	7.0	7.0	7.0	7.0	7.0	7.0
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	7.0	7.0	7.0	7.0	7.0	7.0

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

1002 Federal Receipts						
1003 GF Match						
1004 GF	7.0	7.0	7.0	7.0	7.0	7.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	7.0	7.0	7.0	7.0	7.0	7.0

Estimate of any current year (FY2004) cost: 0.0
 Check this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

HB 395 would make a number of changes to the state's shallow natural gas leasing program including additional public notice requirements; setback guidelines, noise mitigation, and reclamation requirements; and a provision for bonding

Under Sections 13 and 14 of the bill, additional public notification beyond that already carried out by DNR would be required. Specifically, this would require DNR to publish notice in a paper of statewide circulation and a paper in the affected area one additional time beyond what is currently done when giving notice of a shallow natural gas application and calling for public comments. In addition, the bill would require DNR to publish two display ads in at least one paper of statewide circulation and one local paper in the area of the proposed action.

Prepared by: Mark D. Myers Phone 269-8800
 Division: Oil and Gas Date/Time 4/19/04
 Approved by: Thomas Irwin, Commissioner Date 4/19/04
 Agency: Natural Resources

FISCAL NOTE #2

**STATE OF ALASKA
2004 LEGISLATIVE SESSION**

BILL NO. CSHB 395(RES)

ANALYSIS CONTINUATION

The Anchorage Daily News has general circulation in all areas of the state. The cost for a legal notice is \$404 per day (weekday).

Publication cost in a local paper is estimated at \$225 (Frontiersman was used as an estimate) per day.

Display ad in the Anchorage Daily News = $\$614.70 \times 2 = 1,229.40$

Display ad in a local paper = $\$242.00 \times 2 = 484.00$

Combined total all additional notice: \$ 2,342.40

Last year, DNR processed three groups of applications in calendar year 2003 (DNR tries to group applications to cut down on noticing costs). $3 \times \$,2342.40 = \$ 7,027.20$