

# FISCAL NOTE

**STATE OF ALASKA**  
**2004 LEGISLATIVE SESSION**

Fiscal Note Number: 1  
 Bill Version: CSHCR 39(RLS)  
 (H) Publish Date: 5/7/04

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Legislature  
 Title Establishing the Alaska Royalty and BRU Legislative Council  
Revenue Commission Component: Council and Subcommittees  
 Sponsor House Resources by Request of EDT  
 Requestor House Rules Committee Component No. 783

**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	75.0	0.0	0.0	0.0	0.0	0.0
Travel	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	500.0	0.0	0.0	0.0	0.0	0.0
Supplies	0.0	0.0	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0
Grants & Claims	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL OPERATING</b>	<b>575.0</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>						
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<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	575.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
<b>TOTAL</b>	<b>575.0</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 (FY2004) cost: \_\_\_\_\_

Check this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

**POSITIONS**

Full-time						
Part-time	1	0	0	0	0	0
Temporary						

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

CSHCR 39 (RLS) establishes a seven member Alaska Royalty and Revenue Committee to review and analyze the State's current oil and gas royalty and tax structures. The Committee will craft policies for recommendation to the 24th Legislature that would maximize the long-term benefits of oil and gas resources to the State. The Committee will begin work on June 1, 2004, may meet during the interim, and will submit a report and proposed legislation to the Legislative Budget and Audit Committee who will present the report to the Twenty-Fourth Legislature. The Committee will terminate not later than the adjournment of the First Regular Session of the Twenty-Fourth Alaska State Legislature.

Prepared by: Karla Schofield, Deputy Director Phone 465-6626  
 Division Administrative Services Date/Time 5/6/04 3:38 PM  
 Approved by: Pamela Varni, Executive Director Date 5/6/2004  
 Agency Legislative Affairs Agency

**FY04**

Any FY04 costs for the Alaska Royalty and Revenue Committee will be absorbed within existing budgets.

**FY05**

**Personal Services**

The Committee will be staffed by an 11 month Legislative Assistant Range 21

**Personal Services            \$ 75.0**

**Travel**

Travel costs for members of the Committee will be absorbed within existing budgets.

**Contractual**

The Committee will retain consultants with expertise in global oil and gas fiscal structures to perform a comprehensive study and report on the State's oil and gas tax and royalty regime. The study shall identify alternate State revenue and industry incentive structures that maximize the State's oil and gas revenue, promote development of known oil and gas resources, and encourage additional exploration and development with consideration of the widest possible range of world oil prices. The study shall analyze the consequences of existing and alternate tax structures on Alaska's competitiveness in maintaining existing and attracting new industry investment.

The Committee shall submit the consultants report of findings to the Legislative Budget and Audit Committee who shall present the report to the 24th Alaska Legislature.

Costs for teleconferencing meetings and printing additional copies of the Committee report will be absorbed within existing budgets.

**Contractual                        \$ 500.0**

**Supplies**

Supplies for the Task Force will be absorbed within existing budgets.

**Equipment**

Equipment for the Legislative Assistant will be absorbed within existing budgets.