

# FISCAL NOTE

**STATE OF ALASKA**  
**2005 LEGISLATIVE SESSION**

Fiscal Note Number: 4  
 Bill Version: CSHB 280(FIN)  
 (H) Publish Date: 5/5/05

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Revenue 04  
 Title Minerals Tax/Payments to Munis in Lieu RDU Tax and Treasury  
 Component Tax  
 Sponsor Resources  
 Requester (H) FIN Component No. 2476

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

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

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Personal Services	15.0	15.0	15.0	15.0	15.0	15.0
Travel	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	26.1	26.1	26.1	26.1	26.1	26.1
Supplies	0.3	0.3	0.3	0.3	0.3	0.3
Equipment	1.1	1.1	1.1	1.1	1.1	1.1
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>42.5</b>	<b>42.5</b>	<b>42.5</b>	<b>42.5</b>	<b>42.5</b>	<b>42.5</b>
<b>CAPITAL EXPENDITURES</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>CHANGE IN REVENUES ( )</b>	*	*	*	*	*	*

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	42.5	42.5	42.5	42.5	42.5	42.5
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
<b>TOTAL</b>	<b>42.5</b>	<b>42.5</b>	<b>42.5</b>	<b>42.5</b>	<b>42.5</b>	<b>42.5</b>

Estimate of any current year (FY2005) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

**POSITIONS**

Full-time	1/4	1/4	1/4	1/4	1/4	1/4
Part-time						
Temporary						

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

This bill levies a tax rate equivalent to the mill rate "required to meet the local contribution [to schools] required of that municipality" on the full and true value of mining real and tangible personal property on land in the unorganized borough as of January 1, 2005. In general this is 4 mills or .4 percent. One exception is that the 4 mill levy on the taxable value cannot exceed 45% of the district's basic need. The tax rate does not go into effect until after production commences at the mine. We did not include an estimate for revenue because we cannot foresee if municipalities will be formed within the unorganized borough or if planned mines will actually materialize. This bill also precludes municipalities from imposing severance taxes on minerals produced or extracted in the municipality other than a tax imposed before January 1, 2006. We are requesting a 1/4 of a tax technician to address our responsibilities under the bill and \$25,000 for increases in costs associated with the State Assessment Review Board.

Prepared by: Randy Hoffbeck & Brett Fried  
 Division: Tax Division  
 Approved by: Tom Boutin, Deputy Commissioner  
 Agency: Revenue

Phone: 465-3682  
 Date/Time: 5/4/05 9:20 AM  
 Date: 5/4/2005