

# REVISED FISCAL NOTE

**STATE OF ALASKA**  
**2007 LEGISLATIVE SESSION**

Fiscal Note Number: 5  
 Bill Version: CSHB 128(RES)  
 (H) Publish Date: 5/5/07

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Administration  
 Title Oil and Gas Production Tax RDU AOGCC  
 Component AOGCC  
 Sponsor Representatives Olson, Harris, Ramras, et al.  
 Requester House Oil and Gas Component No. 2010

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

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

| OPERATING EXPENDITURES | FY 2008     | FY 2009     | FY 2010     | FY 2011     | FY 2012     | FY 2013     |
|------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Personal Services      | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         |
| Travel                 | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         |
| Contractual            | 50.0        | 50.0        | 40.0        | 30.0        | 20.0        | 20.0        |
| 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>50.0</b> | <b>50.0</b> | <b>40.0</b> | <b>30.0</b> | <b>20.0</b> | <b>20.0</b> |

|                             |     |     |     |     |     |     |
|-----------------------------|-----|-----|-----|-----|-----|-----|
| <b>CAPITAL EXPENDITURES</b> | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
|-----------------------------|-----|-----|-----|-----|-----|-----|

|                               |     |     |     |     |     |     |
|-------------------------------|-----|-----|-----|-----|-----|-----|
| <b>CHANGE IN REVENUES ( )</b> | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
|-------------------------------|-----|-----|-----|-----|-----|-----|

**FUND SOURCE** (Thousands of Dollars)

|                          |             |             |             |             |             |             |
|--------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| 1002 Federal Receipts    | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         |
| 1003 GF Match            | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         |
| 1004 GF                  | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         |
| 1005 GF/Program Receipts | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         |
| 1037 GF/Mental Health    | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         |
| 1162 AOGCC Receipts      | 50.0        | 50.0        | 40.0        | 30.0        | 20.0        | 20.0        |
| <b>TOTAL</b>             | <b>50.0</b> | <b>50.0</b> | <b>40.0</b> | <b>30.0</b> | <b>20.0</b> | <b>20.0</b> |

Estimate of any current year (FY2007) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2008 budget proposal:

**POSITIONS**

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

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

If HB 128 is passed, the Alaska Oil and Gas Conservation Commission, in conjunction with other State agencies, would be charged with determining whether a taxpayer followed standard industry practices for purposes of eligibility for deductions of costs related to the repair and replacement of improperly maintained property or equipment.

The estimate in this fiscal note is based upon our understanding that the work we may be called upon to perform will be within our traditional area of regulatory oversight (i.e., downhole and at the wellhead); and, that the Petroleum Systems Integrity Office (PSIO) will provide consultation and conduct investigations at the point where our jurisdiction ends.

Prepared by: Jody J. Colombie, Special Assistant I Phone 793-1221  
 Division Alaska Oil and Gas Conservation Commission Date/Time 3/9/07 10:30 AM  
 Approved by: Rachael Petro, Deputy Commissioner Date 3/9/2007  
 Agency Department of Administration