

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: 3
 Bill Version: HB 4002
 (H) Publish Date: 7/9/08

Identifier (file name): 08-0057-DOR-RRP-7-3-08 Dept. Affected: 04 Revenue
 Title: Alaska Resource Rebate Program RDU: Taxation and Treasury
 Component: Resource Rebate
 Sponsor: Rules
 Requester: Governor Component Number: 2930

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information						
		FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
OPERATING EXPENDITURES								
Personal Services		170.0						
Travel								
Contractual		591.2						
Supplies		58.8						
Equipment		30.0						
Land & Structures								
Grants & Claims		799,150.0						
TOTAL OPERATING		0.0	800,000.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES								
-----------------------------	--	--	--	--	--	--	--	--

CHANGE IN REVENUES ()								
-------------------------------	--	--	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts								
1003 GF Match								
1004 GF		800,000.0						
1005 GF/Program Receipts								
1037 GF/Mental Health								
TOTAL		800,000.0						

Estimate of any current year (FY2008) cost: _____

POSITIONS

Full-time								
Part-time								
Temporary								

ANALYSIS: (Attach a separate page if necessary)

This bill creates a new program and budget component to be administered by the Department of Revenue that provides for a one time resource rebate payment of \$1,200 for each eligible Alaskan. Eligible Alaskans under this program will include those Alaskans who applied for and have been deemed eligible for the 2008 permanent fund dividend, and those persons who apply for the program under a supplemental application, are physically present in Alaska, have resided in the state for the 180 days preceding the application period and meet the other eligibility criteria in the bill. Funding for this program is in a separate appropriations bill.

(See page two)

Prepared by: Loretta Withington
 Division: Admin Services
 Approved by: Jerry Burnett
Department of Revenue

Phone 465-2312
 Date/Time 7/3/08 12:00 AM
 Date 7/3/2008

ANALYSIS CONTINUATION

The actual number of persons eligible for the 2008 PFD will not be known until September but for the purposes of projecting the costs of administering this program we are assuming that 620,000 persons will be eligible for the 2008 PFD, and that 45,000 additional persons will qualify for the energy assistance program under the supplemental application process, for an estimated total of 665,000 persons.

Based on PFD program costs the direct cost of printing and mailing the checks will be approximately \$525,000 for issuing the payments and 1099 advices. We will not use the PFD payment system for this purpose but instead will contract with either the Division of Finance or a financial institution.

The cost of administering the supplemental application process is estimated at \$325,000. This includes printing and distribution of applications, programming costs for a new database to collect applicant information and personal services costs related to receiving applications, scanning and filing applications and related documents, determining eligibility, etc. Since this is a one time program we will use existing equipment and bring in seasonal employees, non-permanent employees and contractors to accomplish this work.

Note that while we are using information from the PFD eligibility system, this project will be done outside of the PFD Division and every attempt will be made to minimize impacts on PFD processing.