

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: CSSB 54(ENE)
 (S) Publish Date: 3/16/09

Identifier (file name): SB054-LAW-CIV-2-11-09 Dept. Affected: LAW
 Title An Act related to refiner price gouging for motor fuel, diesel, and heating fuels. RDU CIVIL
 Component COMMERCIAL & FAIR BUSINESS
 Sponsor Senator(s) Wielechowski, Ellis, French, Thomas
 Requester ENE Component Number 2717

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	Appropriation Required	Information					
	FY 2010	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	***	***	***	***	***	***	***

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							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	***	***	***	***	***	***	***

Estimate of any current year (FY2009) cost: _____

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: (Attach a separate page if necessary)

See attached page...

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 Date/Time 1/31/09 11:00 AM
 Date 1/31/2009

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BILL NO. CSSB 54(ENE)

ANALYSIS CONTINUATION

SB 54 amends AS 45.50 to add a new section that prohibits a refiner from selling an energy resource at a price that is exorbitant or excessive. The bill only applies to motor fuel, diesel, and heating fuel. Violations of this law would become violations of the consumer protection act, and enforceable by the attorney general. The bill requires the attorney general to initiate an investigation upon belief that a refiner has engaged in a violation of the statute. Penalties under the statute are set at 10 times the economic benefit obtained through the refiner's conduct, or \$50 million, whichever is greater.

Because it is difficult to predict when a refiner may be engaging in illegal conduct under this bill, the resources necessary to investigate and enforce this bill is unknown. The two recent gasoline pricing investigations undertaken by the attorney general required significant time and resources, including the retention of an expert economist. Petroleum pricing investigations take several months if not years. The most recent investigation spanned five months, and required a contract with an economic expert for \$250,000. The prior investigation took three years, and significant resources, including retention of economic experts.

Accordingly, the fiscal impact of this legislation on the department of law is indeterminate, and would depend on the number of investigations required.