

Fiscal Note

State of Alaska
2013 Legislative Session

Bill Version: HCS CSSB 21(FIN)
Fiscal Note Number: 13
(H) Publish Date: 4/12/13

Identifier: SB021HCSCS(FIN)-DOR-COMM-04-11-13
Title: OIL AND GAS PRODUCTION TAX
Sponsor: RLS BY REQUEST OF THE GOVERNOR
Requester: House Finance

Department: Department of Revenue
Appropriation: Administration and Support
Allocation: Commissioner's Office
OMB Component Number: 123

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2014	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2014 Request	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
OPERATING EXPENDITURES	FY 2014	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Personal Services		157.8	157.8	157.8	157.8	157.8	157.8
Travel	4.6		4.6	4.6	4.6	4.6	4.6
Services							
Commodities	30.0		20.0	20.0	20.0	20.0	20.0
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	34.6	157.8	182.4	182.4	182.4	182.4	182.4

Fund Source (Operating Only)

1004 Gen Fund	34.6	157.8	182.4	182.4	182.4	182.4	182.4
Total	34.6	157.8	182.4	182.4	182.4	182.4	182.4

Positions

Full-time		1.0	1.0	1.0	1.0	1.0	1.0
Part-time							
Temporary							

Change in Revenues							
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Estimated SUPPLEMENTAL (FY2013) cost: 0.0

Estimated CAPITAL (FY2014) cost: 0.0

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No

If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

House Finance Committee substitute added language requiring an updated fiscal note from Revenue.

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Phone: (907)465-2312
Date: 04/11/2013 11:30 PM
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FISCAL NOTE ANALYSIS #13

STATE OF ALASKA
2013 LEGISLATIVE SESSION

BILL NO. HCS CSSB 21(FIN)

Analysis

The bill establishes a nine member Oil and Gas Competitiveness Review Board, in the Department of Revenue, which is charged with: (1) establishing and maintaining a salient collection of information related to oil and gas exploration, development, and production in the state and related to tax structures, rates, and credits in other regions with oil and gas resources; (2) reviewing historical, current, and potential levels of investment in the state's oil and gas sector; (3) identifying factors that affect investment in oil and gas exploration, development, and production in the state, including tax structure, rates, and credits, royalty requirements, infrastructure, workforce availability, and regulatory requirements; and (4) reviewing the competitive position of the state to attract and maintain investment in the oil and gas sector in the state as compared to the competitive position of other regions with oil and gas resources.

The board is charged with establishing procedures to accept and keep confidential information, including the creation of a secure data room. The Board shall meet at least once per year.

The board is charged with making two written reports to the Legislature. The first report, due by January 31, 2015, or as soon thereafter as practical, focuses on regulatory issues, labor issues, infrastructure issues, and fiscal regime competitiveness. The second report, due by January 31, 2021, or as soon thereafter as practical, focuses on changes to the state's fiscal regime that would increase investment, alternative means of supporting investment, and a review of the effectiveness and future value of provisions that are expiring in the next five years.

To accomplish these tasks the Department would use existing professional staff, primarily the Oil and Gas Program Coordinator currently in the Commissioner's Office, and funding to provide board meeting and travel, space and overhead costs associated with the data room.

The fiscal note assumes one board meeting per year.