

# Fiscal Note

State of Alaska  
2014 Legislative Session

Bill Version: CSSB 138(FIN)  
Fiscal Note Number: 9  
(S) Publish Date: 3/14/14

Identifier: SB138-CS(RES)-DOR-TRS-03-04-14  
Title: GAS PIPELINE; AGDC; OIL & GAS PROD. TAX  
Sponsor: RLS BY REQUEST OF THE GOVERNOR  
Requester: Governor

Department: Department of Revenue  
Appropriation: Taxation and Treasury  
Allocation: Treasury Division  
OMB Component Number: 121

**Expenditures/Revenues**

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

	FY2015	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2015 Request	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
<b>OPERATING EXPENDITURES</b>	<b>FY 2015</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>
Personal Services				***	***	***	***
Travel							
Services	500.0		150.0				
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
<b>Total Operating</b>	<b>500.0</b>	<b>0.0</b>	<b>150.0</b>	<b>***</b>	<b>***</b>	<b>***</b>	<b>***</b>

**Fund Source (Operating Only)**

1004 Gen Fund	500.0		150.0				
<b>Total</b>	<b>500.0</b>	<b>0.0</b>	<b>150.0</b>	<b>***</b>	<b>***</b>	<b>***</b>	<b>***</b>

**Positions**

Full-time							
Part-time							
Temporary							

<b>Change in Revenues</b>							
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**Estimated SUPPLEMENTAL (FY2014) cost:** 0.0 *(separate supplemental appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**Estimated CAPITAL (FY2015) cost:** 0.0 *(separate capital appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

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If yes, by what date are the regulations to be adopted, amended or repealed?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

Initial note to reflect resident option to invest.
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Division: <u>Treasury</u>	Date: <u>03/04/2014 10:00 AM</u>
Approved By: <u>Mike Pawlowki, Deputy Commissioner</u>	Date: <u>03/04/14</u>
Agency: <u>Revenue</u>	

**FISCAL NOTE ANALYSIS #9**

**STATE OF ALASKA  
2014 LEGISLATIVE SESSION**

**BILL NO. CSSB 138(FIN)**

**Analysis**

This bill would help the state move forward as a partner in a large natural gas project, including liquefaction facilities. While the bill itself has numerous sections that affect other departments or corporation in the state, the analysis done for this fiscal note is limited to the provision in the bill that pertains to the development of a plan for residents to participate in the ownership of a north slope natural gas pipeline. The plan must include recommendations by the Commissioner of Revenue regarding :

- How individuals can qualify as a resident that can invest in the pipeline
- How a resident may invest in the pipeline
- The entity through which ownership should be acquired
- The notification process to residents acquiring ownership
- Ownership transferability
- If residents' ownership is via the State's interest in the pipeline, how income or dividends will be shared with resident owners
- If residents' ownership is via a publicly traded corporation that has an ownership interest in the pipeline, how those publicly traded corporations will be identified .

In order to develop the above recommendations , the department will require substantial subject matter expertise in order to come up with a plan at the time a contract is submitted. The department estimate that these contracted services will cost \$500,000 during FY15 and \$150,000 during FY16.