

Fiscal Note

State of Alaska
2015 Legislative Session

Bill Version:	SCS CSHB 158(FIN)
Fiscal Note Number:	5
(S) Publish Date:	4/15/2015

Identifier: HB 158 SFIN 4-15-2015
Title: REFINED FUEL SURCHARGE;MOTOR FUEL TAX
Sponsor: MUNOZ
Requester: Senate Finance

Department: Fund Transfers
Appropriation: OpSys DGF Transfers (non-add)
Allocation: Oil and Hazardous Substance Release Prevention
Account
OMB Component Number: 2499

Expenditures/Revenues

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

	FY2016	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2016 Request	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
OPERATING EXPENDITURES	FY 2016	FY 2016					
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous	7,450.0		7,600.0	7,750.0	7,900.0	8,050.0	8,200.0
Total Operating	7,450.0	0.0	7,600.0	7,750.0	7,900.0	8,050.0	8,200.0

Fund Source (Operating Only)

1004 Gen Fund	7,450.0		7,600.0	7,750.0	7,900.0	8,050.0	8,200.0
Total	7,450.0	0.0	7,600.0	7,750.0	7,900.0	8,050.0	8,200.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues	7,450.0		7,600.0	7,750.0	7,900.0	8,050.0	8,200.0
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Estimated SUPPLEMENTAL (FY2015) cost: 800.0 (separate supplemental appropriation required)
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2016) 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? N
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

Updated to reflect changes in the C.S. which modify the FY15 supplemental amount to \$800.0 and current and future deposits to correspond with revenue projections provided by the Department of Revenue.

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Senate Finance Committee
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Phone: (907)465-3709
Date: 04/14/2015

REPORTED OUT OF
SFC 04/15/2015

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2015 LEGISLATIVE SESSION

Analysis

This bill addresses a recognized funding shortfall in the Spill Prevention and Response (SPAR) division of the Department of Environmental Conservation. SPAR is funded through the Prevention Account of the Oil and Hazardous Substance Release Prevention and Response Fund (O&H fund). The amount deposited in the prevention account depends on the amount of oil produced--there is a 4 cent per barrel tax on oil produced in Alaska. As oil production has declined, SPAR expenditures have exceeded revenue and reduced the balance of the fund. This long process has depleted the balance of the prevention account.

This bill implements a surcharge on sales of refined fuel and identifies the resultant UGF revenue as available for appropriation to the O&H Fund.

Annual appropriations will be required to deposit UGF into the O&H Fund.

The table below shows projected cash flows and fund balances under the assumption that \$800.0 and \$7.45 million is deposited in the O&H Fund in FY15 and FY16, respectively. As noted above, the timing and amount of the deposits are somewhat arbitrary--they could be reversed or reduced if desired.

Beginning Balance	\$6,913.20	\$2.40	\$564.20	\$6,130.00	\$7,005.80
Crude Oil Revenue plus Cost Recovery	\$7,949.90	\$8,526.00	\$8,380.00	\$8,540.00	\$8,060.00
Aniak Settlement	\$0.00	\$0.00	\$5,000.00	\$0.00	\$0.00
Deposit from Refined Product Tax	\$800.00	\$7,450.00	\$7,600.00	\$7,750.00	\$7,900.00
Total Annual Expenses	\$15,660.70	\$15,414.20	\$15,414.20	\$15,414.20	\$15,414.20
Ending Balance	\$2.40	\$564.20	\$6,130.00	\$7,005.80	\$7,551.60