

Fiscal Note

State of Alaska
2017 Legislative Session

Bill Version:	CSHB 111(RES)
Fiscal Note Number:	1
(H) Publish Date:	3/15/2017

Identifier: HB111CS(RES)-DNR-DOG-03-13-17
 Title: OIL & GAS PRODUCTION
 TAX;PAYMENTS;CREDITS
 Sponsor: RESOURCES
 Requester: House Resources

Department: Department of Natural Resources
 Appropriation: Oil & Gas
 Allocation: Oil & Gas
 OMB Component Number: 439

Expenditures/Revenues

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

	FY2018	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2018 Request	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
OPERATING EXPENDITURES	FY 2018	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Personal Services	***		***	***	***	***	***
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	***	0.0	***	***	***	***	***

Fund Source (Operating Only)

None							
Total	***	0.0	***	***	***	***	***

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2017) cost: 0.0 *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2018) 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? Yes
 If yes, by what date are the regulations to be adopted, amended or repealed? 01/01/19

Why this fiscal note differs from previous version:

Not applicable; initial version.

Prepared By:	Chantal Walsh, Director	Phone:	(907)269-8775
Division:	Division of Oil & Gas	Date:	03/13/2017 05:00 PM
Approved By:	Andrew T. Mack, Commissioner	Date:	03/13/17
Agency:	Department of Natural Resources		

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2017 LEGISLATIVE SESSION**Analysis**

This bill would require the department to analyze lease expenditures that could qualify to be carried forward and determine if those expenditures meet the requirements set out in regulations yet to be written. Because the regulations are not yet written, the extent of the required analysis is not clear. As written the fiscal impact to the department could range from minimal to significant, depending on final regulations.

This bill also requires the department to manage additional data associated with a new “dry hole credit.” It is indeterminable how many of these credit applications would be filed, but additional staff time would be required to review applications and manage the data.

Finally, this bill contemplates the use of staff resources to participate in a legislative working group. This additional work would require backfilling of other assignments by those employees. For the reasons stated above, the department is unable to determine the fiscal impact of this legislation at this time; therefore, a indeterminate fiscal note is submitted.