

# Fiscal Note

State of Alaska  
2018 Legislative Session

Bill Version:	SCS CSHB 119(FIN)
Fiscal Note Number:	7
(S) Publish Date:	5/12/2018

Identifier: HB119CS(FIN)-EED-PEF-5-3-18  
 Title: AIDEA:DIVIDEND;INCOME;VALUE;PROJECTS;T  
 AX  
 Sponsor: RLS BY REQUEST OF THE GOVERNOR  
 Requester: House Finance Committee

Department: Fund Capitalization  
 Appropriation: Fund Capitalization (no approps out)  
 Allocation: Public Education Fund (starts FY17)  
 OMB Component Number: 2804

**Expenditures/Revenues**

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

	FY2019	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2019 Request	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>OPERATING EXPENDITURES</b>	<b>FY 2019</b>	<b>FY 2019</b>					
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits			79.6	79.6	79.6	79.6	79.6
Miscellaneous							
<b>Total Operating</b>	<b>0.0</b>	<b>0.0</b>	<b>79.6</b>	<b>79.6</b>	<b>79.6</b>	<b>79.6</b>	<b>79.6</b>

**Fund Source (Operating Only)**

1004 Gen Fund (UGF)			79.6	79.6	79.6	79.6	79.6
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>79.6</b>	<b>79.6</b>	<b>79.6</b>	<b>79.6</b>	<b>79.6</b>

**Positions**

Full-time							
Part-time							
Temporary							

**Change in Revenues**

None							
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Estimated SUPPLEMENTAL (FY2018) cost:** 0.0 (separate supplemental appropriation required)  
 (discuss reasons and fund source(s) in analysis section)

**Estimated CAPITAL (FY2019) 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 If yes, by what date are the regulations to be adopted, amended or repealed?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/comments:**

Not applicable, initial version.

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 Approved By: Dr. Michael Johnson, Commissioner  
 Agency: Department of Education & Early Development

Phone: (907)465-8665  
 Date: 05/03/2018 10:00 AM  
 Date: 05/03/18

REPORTED OUT OF  
SFC 05/12/2018

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2018 LEGISLATIVE SESSION

## Analysis

HB119 CS proposes changes to AS 29.45.030(a)(1)(A) which would change the current exemption for the Alaska Ship and Drydock in Ketchikan from an optional to a mandatory exemption. Under the optional exemption, Ketchikan Gateway Borough's annual Required Local Contribution (RLC) payment for the possessory interest value of the shipyard was \$79,596 for 2017. For purposes of this fiscal note the \$79,596 per year represents the current RLC which may change in the future. If the bill as amended is adopted, the obligation for this funding for the RLC for the Ketchikan Gateway School District would shift and become the funding obligation of the State of Alaska under AS 14.17.410 Public School Funding program.

Additionally, the statutory exemption for the Red Dog Mine sunset in November 2017. Under this bill, the exemption for the Red Dog Mine would be retroactively applied back to November 30, 2017 and continue the prior exemption which would result in no fiscal impact to the state.

It is understood the exemption for the Alaska Ship and Drydock will begin with calendar year 2018. Since there is a two year lag in the assessed full and true values being applied to the public school funding formula under AS 14.17.410, the cost to the state would not be realized until FY2020.