

Fiscal Note

State of Alaska
2019 Legislative Session

Bill Version:	HB 59
Fiscal Note Number:	3
(H) Publish Date:	2/20/2019

Identifier: 0085-EED-PEF-2-11-19
Title: REPEAL MUNI LEVY OF O&G TAX/CREDIT
Sponsor: RLS BY REQUEST OF THE GOVERNOR
Requester: Governor

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)

	FY2020 Appropriation Requested	Included in Governor's FY2020 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2020	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits	22,355.2		22,355.2	22,355.2	22,355.2	22,355.2	22,355.2
Miscellaneous							
Total Operating	22,355.2	0.0	22,355.2	22,355.2	22,355.2	22,355.2	22,355.2

Fund Source (Operating Only)

1004 Gen Fund (UGF)	22,355.2		22,355.2	22,355.2	22,355.2	22,355.2	22,355.2
Total	22,355.2	0.0	22,355.2	22,355.2	22,355.2	22,355.2	22,355.2

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 (FY2019) cost: 0.0 (separate supplemental appropriation required)

Estimated CAPITAL (FY2020) cost: 0.0 (separate capital appropriation required)

Does the bill create or modify a new fund or account? No
(Supplemental/Capital/New Fund - 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If yes, by what date are the regulations to be adopted, amended or repealed?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 based on the 2.13.19 Governor's FY2020 request.

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Agency: Office of Management of Budget

Phone: (907)465-8665
Date: 02/11/2019 06:00 PM
Date: 02/11/19

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2019 LEGISLATIVE SESSION**Analysis**

This legislation amends AS 14.17.510(a) by repealing the language that excluded the assessed property values of oil and gas production and pipeline property from the required local contribution calculation if the municipality was not levying a tax on those properties. This bill would expand the exclusion on the assessed values of oil and gas production and pipeline property to all municipalities since they would no longer be able to collect taxes on the value of those properties effective July 1, 2019.

There are seven school districts with oil and gas property that would be affected by this legislation (Anchorage; Cordova; Fairbanks; Kenai; Mat-Su; North Slope; and Valdez). The fiscal note's general fund appropriation was calculated by removing the associated full value of the oil and gas property from the school district's total full value determination, in order to establish a new required local contribution amount under AS 14.17.410. By removing the oil and gas property, each school district's required local contribution decreased. With the reduced required local contribution, the state aid portion of the foundation formula increased by a total of \$22,355.2 for these seven districts. This ensures that each school district receives their respective basic need as calculated under AS 14.17.