

Fiscal Note

State of Alaska
2023 Legislative Session

Bill Version:	CSSB 48(FIN)
Fiscal Note Number:	7
(S) Publish Date:	5/13/2023

Identifier: SB048CS(FIN)-DCCED-AOGCC-05-11-23
 Title: CARBON OFFSET PROGRAM ON STATE LAND
 Sponsor: RLS BY REQUEST OF THE GOVERNOR
 Requester: (S) Finance

Department: Department of Commerce, Community and
Economic Development
 Appropriation: Alaska Oil and Gas Conservation Commission
 Allocation: Alaska Oil and Gas Conservation Commission
 OMB Component Number: 3269

Expenditures/Revenues

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

	FY2024 Appropriation Requested	Included in Governor's FY2024 Request	Out-Year Cost Estimates					
			FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
OPERATING EXPENDITURES								
Personal Services	388.0		388.0					
Travel								
Services	500.0		500.0					
Commodities	20.0							
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	908.0	0.0	888.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

1004 Gen Fund (UGF)	908.0		888.0					
Total	908.0	0.0	888.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time	2.0		2.0					
Part-time								
Temporary								

Change in Revenues

None								
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2023) cost: 0.0 *(separate supplemental appropriation required)*

Estimated CAPITAL (FY2024) 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? Yes
 If yes, by what date are the regulations to be adopted, amended or repealed? 12/31/24

Why this fiscal note differs from previous version/comments:

Not applicable, initial version based on 5/11/23 Senate Finance CS.

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 Approved By: Hannah Lager, Administrative Services Director
 Agency: Commerce, Community, and Economic Development

Phone: (907)793-1223
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 Date: 05/11/23

REPORTED OUT OF
 SEC 05/13/2023

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2023 LEGISLATIVE SESSION

Analysis

This bill grants Alaska Oil and Gas Conservation Commission (AOGCC) the authority to pursue primacy from the U.S. Environmental Protection Agency (EPA) over Class VI wells.

If the bill passes the following expenses will be incurred:

Personal Services: \$388.0 per year in FY2024 and FY2025 for one fully-exempt Senior Carbon Engineer (R26) and one fully-exempt Carbon Assistant (R18)

Services: \$50.0 in FY2024 and FY2025 for statewide and department allocated core services costs
\$150.0 for legal support through the Department of Law
\$300.0 per year for other contractual services, which may include contracted expertise for project development

Commodities: \$20.0 in FY2024 only for setup costs for new employees

FY2024-FY2025 will be focused on obtaining Class VI primacy from EPA. The general fund expenditures for these years may be offset by potential grant receipts through the EPA Class VI Grant Program. In order to accept these federal funds, AOGCC will need language allowing collection of federal receipts as they become available.

Regulations in support of the program will be required.