

HB

245

HB 245

Revenues from State
Right-of-Way Leasing Act

in Thousands of dollars

	<u>F.Y. 1978</u>	<u>F.Y. 1979</u>	<u>F.Y. 1980</u>	<u>F.Y. 1981</u>	<u>F.Y. 1982</u>	<u>F.Y. 1983</u>	<u>F.Y. 1990</u>	<u>F.Y. 2000</u>	<u>Average</u>
At 4% ICC Return	\$ 2,078	\$ 2,078	\$ 2,078	\$ 2,078	\$ 2,078	\$ 2,078	\$ 8,721	\$27,140	\$15,436
at 5% ICC Return	3,455	4,121	4,796	5,479	6,169	7,548	18,546	35,168	22,699
At 7% ICC Return	25,105	26,074	27,067	28,083	29,121	30,182	38,196	51,223	40,580

STATE OF ALASKA
REVENUE

BUDGET PLANNING MODEL

HB 245

13
6
3

RUN ID RUN 26

DATE FEBRUARY 8, 1973

COMMENTS

PIPELINE CONSTRUCTION BEGINS IN FY 1975
OIL FLOWS IN FY 1978
RIGHT-OF-WAY LEASING 4%
TAX PACKAGE INCLUDED

ASSUMPTIONS

- ANNUAL RATE OF INTEREST ON GENERAL FUND = 7.00%
- ANNUAL RATE OF INTEREST ON NEW BONDS = 6.00%
- MATURITY PERIOD ON NEW BONDS IN YEARS = 20.
- % OF CURRENT YR EXPEND. IN G.F. CASH BAL = 20.00%
- ANN OPER EXPEND GROWTH RATE AFTER 1ST YR = 5.00%

FISCAL YEAR	NON INVESTMENT REVENUE	INVESTMENT INTEREST	TOTAL REVENUE	OPERATING EXPENDITURE	DEBT SERVICE	MISC EXP SHD TAXES OF CAP EX	TOTAL EXPENDITURE	SURPLUS OR DEFICIT	GENERAL FUND END OF YEAR
1973									642638.0
1974	181847.0	45877.2	227724.2	318666.0	26441.0	2193.0	357300.0	-129575.8	513062.2
1975	182511.0	33244.3	215755.3	334599.0	30000.0	2821.0	377420.0	-161664.8	351397.4
1976	195180.0	19652.5	214832.4	351328.6	33200.0	3165.0	397693.6	-182861.2	168536.3
1977	201058.0	5191.8	206249.8	368894.6	40000.0	3278.0	422172.6	-215922.8	-47386.6
1978	342023.0	-6022.0	336000.9	387339.1	45500.0	3898.0	461737.1	-125736.1	-173122.7
1979	517876.0	-8642.8	509233.1	406705.6	52100.0	3620.0	504425.6	4807.5	-168315.2
1980	541939.0	-6666.0	535272.9	427040.4	55300.0	46391.0	528731.4	6541.5	-161773.7
1981	565499.0	-4740.6	560758.4	448391.8	58200.0	48294.0	554885.8	5872.6	-155901.1
1982	571140.0	-3618.4	567521.6	470811.1	61600.0	48250.0	580661.1	-13139.5	-169040.6
1983	583091.0	-3839.8	579251.2	494351.1	66800.0	51627.6	612778.1	-33526.9	-202567.5
	3882164.0	70435.8	3952597.0	4908125.0	469141.0	320537.0	4797802.6	-845205.5	

STATE OF ALASKA
REVENUE

BUDGET PLANNING MODEL

*Flow's
HB 59*

RUN ID: RUN 40

DATE: FEBRUARY 8, 1973

COMMENTS

PIPELINE CONSTRUCTION BEGINS IN FY 1975
OIL FLOWS IN FY 1978
RIGHT-OF-WAY LEASING 4%
TAX PACKAGE INCLUDED
PROPERTY TAX INCLUDED

ASSUMPTIONS
ANNUAL RATE OF INTEREST ON GENERAL FUND = 7.00%
ANNUAL RATE OF INTEREST ON NEW BONDS = 6.00%
MATURITY PERIOD ON NEW BONDS IN YEARS = 20.
% OF CURRENT YR EXPEND. IN G.F. CASH BAL = 20.00%
ANN OPER EXPEND GROWTH RATE AFTER 1ST YR = 5.00%

FISCAL YEAR	NON INVESTMENT REVENUE	INVESTMENT INTEREST	TOTAL REVENUE	OPERATING EXPENDITURE	DEBT SERVICE	MISC EXP SHD TAXES GF CAP EX	TOTAL EXPENDITURE	SURPLUS OR DEFICIT	GENERAL FUND END OF YEAR
1973									642638.0
1974	185864.0	46022.9	231886.9	318666.0	26441.0	12133.0	357300.0	-125413.1	517224.0
1975	202913.0	34275.6	237188.6	334599.0	30000.0	12121.0	377420.0	-140231.4	376993.4
1976	232959.0	22794.0	255753.0	351328.6	33200.0	13155.0	397093.6	-141940.6	235052.8
1977	256511.0	11714.8	268225.8	368894.6	40000.0	13178.0	422172.6	-153946.8	81106.1
1978	406945.0	4834.3	410879.3	387339.1	45500.0	28138.0	461737.1	-50857.8	30248.3
1979	582628.0	6884.0	589512.0	406705.6	52100.0	45629.0	504425.6	-85086.4	115334.6
1980	606691.0	13557.9	620248.8	427040.4	55300.0	46391.0	528731.4	91517.4	206852.0
1981	630251.0	20180.3	650431.3	448391.8	58200.0	48294.0	554285.8	95545.6	302397.6
1982	635892.0	25999.5	661891.5	470811.1	61600.0	48250.0	580661.1	81230.4	383628.0
1983	647843.0	30475.2	678318.2	494351.1	66800.0	51627.0	612778.1	65540.1	449168.1
	4387597.0	216738.4	4604333.0	4008125.0	469141.0	320537.0	4797802.0	-193469.9	

STATE OF ALA KA
REVENUE

BUDGET PLANNING MODEL

HB 245

3-6-73

RUN ID RUN 106
DATE MARCH 6, 1973
COMMENTS

PIPELINE CONSTRUCTION BEGINS JULY 1, 1974 (FY 1975)
OIL FLOWS IN FY 1978
TAX PACKAGE INCLUDED
PROPERTY TAX INCLUDED (HOUSE BILL 245)

ASSUMPTIONS

- ANNUAL RATE OF INTEREST ON GENERAL FUND = 7.00%
- ANNUAL RATE OF INTEREST ON NEW BONDS = 6.00%
- MATURITY PERIOD ON NEW BONDS IN YEARS = 20.
- % OF CURRENT YR EXPEND. IN G.F. CASH BAL = 20.00%
- ANN OPER EXPEND GROWTH RATE AFTER 1ST YR = 5.00%

FISCAL YEAR	NON INVESTMENT REVENUE	INVESTMENT INTEREST	TOTAL REVENUE	OPERATING EXPENDITURE	DEBT SERVICE	MISC EXP SHD TAXES GF CAP EX	TOTAL EXPENDITURE	SURPLUS OR DEFICIT	GENERAL FUND END OF YEAR
1973									642638.0
1974	193905.0	46314.6	240219.6	318666.0	26441.0	1 193.0	357300.0	-117080.4	525557.6
1975	213202.0	35232.1	248434.1	334509.0	30000.0	1 821.0	377420.0	-128985.9	396571.6
1976	246582.0	24617.7	271199.7	351328.6	33200.0	15165.0	397693.6	-126493.9	270077.7
1977	271642.0	14581.5	286223.4	362894.6	40000.0	1 278.0	422172.6	-135949.1	134128.6
1978	423512.0	8883.2	432395.2	387339.1	45500.0	2 898.0	461737.1	-29341.9	104786.7
1979	602030.0	12270.2	614300.1	406705.6	52100.0	4 620.0	504425.6	109874.5	214661.2
1980	627968.0	20419.4	648387.4	427040.4	55300.0	4 6391.0	528731.4	119655.9	334317.1
1981	652931.0	28636.2	681567.2	448391.8	58200.0	4 8294.0	554885.8	126681.4	460993.6
1982	659367.0	36129.4	695496.4	470811.1	61600.0	4 250.0	580661.1	114835.3	575833.9
1983	671648.0	42319.9	713967.9	494351.1	66800.0	5 627.0	612778.1	101189.8	677023.6
	4562787.0	269403.9	4832188.0	4008125.0	469141.0	32 537.0	4797802.0	34385.6	

Min. balance

STATE OF ALASKA
REVENUE

BUDGET PLANNING MODEL

RUN ID RUN 107

DATE MARCH 6, 1973

COMMENTS

PIPELINE CONSTRUCTION BEGINS JULY 1, 1974 (FY 1975)
CIL FLOWS IN FY 1978
TAX PACKAGE INCLUDED
PROPERTY TAX INCLUDED (HOUSE BILL 245)

ASSUMPTIONS

ANNUAL RATE OF INTEREST ON GENERAL FUND = 7.00%
ANNUAL RATE OF INTEREST ON NEW BONDS = 6.00%
MATURITY PERIOD ON NEW BONDS IN YEARS = 20.
% OF CURRENT YR EXPEND. IN G.F. CASH BAL = 20.00%
ANN OPER EXPEND GROWTH RATE AFTER 1ST YR = 7.00%

FISCAL YEAR	NON INVESTMENT REVENUE	INVESTMENT INTEREST	TOTAL REVENUE	OPERATING EXPENDITURE	DEBT SERVICE	MISC EXP SHD TAXES GF CAP EX	TOTAL EXPENDITURE	SURPLUS OR DEFICIT	GENERAL FUND END OF YEAR
1973									642638.0
1974	193905.0	46314.6	240219.6	318066.0	26441.0	12193.0	357300.0	-117080.4	525557.6
1975	213202.0	35093.4	248295.4	340972.5	30000.0	17821.0	383793.5	-135498.1	390059.4
1976	246582.0	23867.9	270449.8	364840.2	33200.0	13165.0	411205.2	-140755.4	249304.1
1977	271642.0	12691.7	284333.6	390378.7	40000.0	1278.0	443656.7	-159323.1	89981.0
1978	423512.0	5263.5	428775.5	417704.8	45500.0	2898.0	492102.8	-63327.3	26653.7
1979	602030.0	6263.8	608293.8	446944.0	52100.0	4620.0	544664.0	63629.8	90283.4
1980	627968.0	11296.8	639264.8	478229.3	55300.0	46391.0	579920.3	59344.4	149627.9
1981	652931.0	15588.5	668519.4	511705.2	58200.0	48294.0	618199.2	50320.3	109948.1
1982	659367.0	18261.7	677628.7	547523.9	61600.0	46250.0	657373.9	20254.8	220202.9
1983	671648.0	18643.7	690291.6	585850.4	66800.0	5627.0	704277.4	-13985.8	206217.2
	4562787.0	193285.1	4756068.0	4402812.0	469141.0	32537.0	5192489.0	-436420.8	

new balance

STATE OF ALA. KA
REVENUE

HB 245

BUDGET PLANNING MODEL

3-7-73

17 copies

RUN ID RUN 114
DATE MARCH 7, 1973

COMMENTS
PIPELINE CONSTRUCTION BEGINS JULY 1, 1974 (FY 1975)
OIL FLOWS IN FY 1978
TAX PACKAGE INCLUDED
PROPERTY TAX INCLUDED (HOUSE BILL 245)
RIGHT-OF-WAY LEASING 4%

ASSUMPTIONS
ANNUAL RATE OF INTEREST ON GENERAL FUND = 7.00%
ANNUAL RATE OF INTEREST ON NEW BONDS = 6.00%
MATURITY PERIOD ON NEW BONDS IN YEARS = 20.
% OF CURRENT YR EXPEND. IN G.F. CASH BAL = 20.00%
ANN OPER EXPEND GROWTH RATE AFTER 1ST YR = 5.00%

FISCAL YEAR	NON INVESTMENT REVENUE	INVESTMENT INTEREST	TOTAL REVENUE	OPERATING EXPENDITURE	DEBT SERVICE	MISC EXP SHD TAXES OF CAP EX	TOTAL EXPENDITURE	SURPLUS OR DEFICIT	GENERAL FUND END OF YEAR
1973									642630.0
1974	193905.0	46314.6	240219.6	318666.0	26441.0	11193.0	357300.0	-117080.4	525557.6
1975	213202.0	35232.1	248434.1	334599.0	30000.0	11321.0	377420.0	-128985.9	396571.6
1976	240582.0	24617.7	271199.7	351328.6	33200.0	11165.0	397693.6	-126493.9	270077.7
1977	271642.0	14581.5	286223.4	368894.6	40000.0	11175.0	422172.6	-135949.1	134128.6
1978	425590.0	8958.6	434548.6	387339.1	45500.0	21398.0	461737.1	-27188.5	106940.1
1979	604108.0	12496.3	616604.3	406705.6	52100.0	45620.0	504425.6	112178.6	219118.7
1980	630046.0	20796.3	650842.3	427104.4	55300.0	6391.0	528731.4	122110.8	341229.5
1981	655009.0	29163.8	684172.8	448391.8	58200.0	41194.0	554885.8	129287.0	470516.5
1982	661445.0	36807.7	698252.7	470811.1	61600.0	41150.0	580661.1	117591.6	588108.1
1983	673726.0	43148.9	716874.9	494351.1	6680	51127.0	612778.1	104096.8	692204.9
	4575255.0	272117.1	4847369.0	4008125.0	469141.0	320137.0	4797802.0	49566.9	

STATE OF ALASKA
REVENUE

BUDGET PLANNING MODEL

RUN ID RUN 115

DATE MARCH 7, 1973

COMMENTS

PIPELINE CONSTRUCTION BEGINS JULY 1, 1974 (FY 1975)
OIL FLOWS IN FY 1978
TAX PACKAGE INCLUDED
PROPERTY TAX INCLUDED (HOUSE BILL 245)
RIGHT-OF-WAY LEASING 4%

ASSUMPTIONS

ANNUAL RATE OF INTEREST ON GENERAL FUND = 7.00%
ANNUAL RATE OF INTEREST ON NEW BONDS = 6.00%
MATURITY PERIOD ON NEW BONDS IN YEARS = 20.
% OF CURRENT YR EXPEND. IN G.F. CASH BAL = 20.00%
ANN OPER EXPEND GROWTH RATE AFTER 1ST YR = 7.00%

FISCAL YEAR	NON INVESTMENT REVENUE	INVESTMENT INTEREST	TOTAL REVENUE	OPERATING EXPENDITURE	DEBT SERVICE	MISC EXP SHD TAXES GF CAP EX	TOTAL EXPENDITURE	SURPLUS OR DEFICIT	GENERAL FUND END OF YEAR
1973									642038.0
1974	193905.0	46314.6	240219.6	318666.0	26441.0	1 193.0	357300.0	-117080.4	525557.6
1975	213202.0	35093.4	248295.4	340972.5	30000.0	1 821.0	383793.5	-135498.1	390059.4
1976	246582.0	23867.9	270449.8	364840.2	33200.0	1 165.0	411205.2	-140755.4	249304.1
1977	271642.0	12691.7	284333.6	390378.7	40000.0	1 278.0	443656.7	-159323.1	89981.0
1978	425590.0	5338.9	430928.9	417704.8	45500.0	2 898.0	492102.8	-61173.9	28807.1
1979	604108.0	6489.9	610597.9	446944.0	52100.0	4 620.0	544664.0	65933.9	94740.9
1980	630046.0	11673.6	641719.6	478229.3	55300.0	4 6391.0	579920.3	61799.3	156540.2
1981	655009.0	16116.1	671125.1	511705.2	58200.0	4 294.0	618199.2	52925.9	209466.1
1982	661445.0	18940.0	680385.0	547523.9	61600.0	4 250.0	657373.9	23011.1	232477.2
1983	673726.0	19472.7	693198.7	585850.4	60800.0	5 627.0	704277.4	-11078.7	221398.5
	4575255.0	195998.4	4771251.0	4402812.0	469141.0	32 537.0	5192489.0	-421239.5	

STATE OF ALABAMA
REVENUE

BUDGET PLANNING MODEL

RUN ID RUN-116

DATE MARCH 7, 1973

COMMENTS

PIPELINE CONSTRUCTION BEGINS JULY 1, 1974 (FY 1975)
OIL FLOWS IN FY 1978
TAX PACKAGE INCLUDED
PROPERTY TAX INCLUDED (HOUSE BILL 245)
RIGHT-OF-WAY LEASING 7%

ASSUMPTIONS

ANNUAL RATE OF INTEREST ON GENERAL FUND = 7.00%
ANNUAL RATE OF INTEREST ON NEW BONDS = 6.00%
MATURITY PERIOD ON NEW BONDS IN YEARS = 20.
% OF CURRENT YR EXPEND. IN G.F. CASH BAL = 20.00%
ANN OPER EXPEND GROWTH RATE AFTER 1ST YR = 5.00%

FISCAL YEAR	NON INVESTMENT REVENUE	INVESTMENT INTEREST	TOTAL REVENUE	OPERATING EXPENDITURE	DEBT SERVICE	MISC EXP SHD TAXES GF CAP EX	TOTAL EXPENDITURE	SURPLUS OR DEFICIT	GENERAL FUND END OF YEAR
1973									642638.0
1974	193905.0	46314.6	240219.6	318666.0	26441.0	1 193.0	357300.0	-117080.4	525557.6
1975	213202.0	35232.1	248434.1	334599.0	30000.0	1 821.0	377420.0	-128985.9	396571.6
1976	24652.0	24617.7	271199.7	351328.6	33200.0	1 165.0	397693.6	-126493.9	270077.7
1977	271642.0	14581.5	286223.4	368894.6	40000.0	1 278.0	422172.6	-135949.1	134128.6
1978	448617.0	9793.8	458410.8	387339.1	45500.0	2 898.0	461737.1	-3326.3	130802.3
1979	628104.0	15036.9	643140.9	406705.6	52100.0	4 502.0	504425.6	138715.3	269517.6
1980	655635.0	25113.6	680748.6	427040.4	55300.0	4 639.0	528731.4	151417.1	420934.7
1981	681014.0	35330.6	716344.6	448391.8	58200.0	4 294.0	554885.8	161458.8	582393.5
1982	688488.0	44898.6	733386.5	470811.1	61600.0	4 250.0	580661.1	152725.4	735118.9
1983	701830.0	53239.9	755069.9	494351.1	66800.0	5 627.0	612778.1	142291.8	877410.7
	4728419.0	304158.9	5032574.0	4008125.0	469141.0	32 537.0	4797802.0	234772.7	

STATE OF ALASKA
REVENUE

BUDGET PLANNING MODEL

RUN ID RUN 117
DATE MARCH 7, 1973

COMMENTS
PIPELINE CONSTRUCTION BEGINS JULY 1, 1974 (FY 1975)
OIL FLOWS IN FY 1978
TAX PACKAGE INCLUDED
PROPERTY TAX INCLUDED (HOUSE BILL 245)
RIGHT-OF-WAY LEASING 7%

ASSUMPTIONS

ANNUAL RATE OF INTEREST ON GENERAL FUND = 7.00%
ANNUAL RATE OF INTEREST ON NEW BONDS = 6.00%
MATURITY PERIOD ON NEW BONDS IN YEARS = 20.
% OF CURRENT YR EXPEND. IN G.F. CASH BAL = 20.00%
ANN OPER EXPEND GROWTH RATE AFTER 1ST YR = 7.00%

FISCAL YEAR	NON INVESTMENT REVENUE	INVESTMENT INTEREST	TOTAL REVENUE	OPERATING EXPENDITURE	DEBT SERVICE	MISC EXP SHD TAXES GF CAP EX	TOTAL EXPENDITURE	SURPLUS OR DEFICIT	GENERAL FUND END OF YEAR
1973									642638.0
1974	193905.0	46314.6	240219.6	318666.0	26441.0	12193.0	357300.0	-117080.4	525557.6
1975	213202.0	35093.4	248295.4	340972.5	30000.0	12821.0	383793.5	-135498.1	390059.4
1976	246582.0	23867.9	270449.8	384840.2	33200.0	13165.0	411205.2	-140755.4	249304.1
1977	271642.0	12691.7	284333.6	390378.7	40000.0	13278.0	443656.7	-159323.1	89981.0
1978	448617.0	6174.1	454791.1	417704.8	45500.0	28898.0	492102.8	-37311.8	52669.3
1979	628104.0	9030.6	637134.6	446944.0	52100.0	45620.0	544664.0	92470.6	145139.8
1980	655035.0	15990.9	671025.9	478229.3	55300.0	46391.0	579920.3	91105.6	236245.4
1981	681014.0	22282.9	703296.9	511705.2	58200.0	41294.0	618199.2	85097.7	321343.1
1982	688488.0	27930.9	715518.9	547523.9	61600.0	41250.0	657373.9	58145.0	379488.1
1983	701830.0	29563.7	731393.7	585850.4	66800.0	51627.0	704277.4	27116.3	406604.4
	4728419.0	228040.4	4956455.0	4402812.0	469141.0	329537.0	5192489.0	-236033.6	

The Legislature of the State of Alaska
FISCAL NOTE
First Session - Eighth Legislature

I. REQUEST

Bill Identification: HB 245 and CS
 Title: Oil and Gas Trans Property Tax - Administration
 Requested by: Legislative Finance Date: March 15, 1973
 Return Date Requested: March 22, 1973
 Agency: Revenue Program: Fiscal Services

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Fiscal Services

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 73	FY 74	FY 75	FY 76	FY 77	FY 78
100 PERSONAL SERVICES		490.0	517.0	545.4	575.4	607.0
200 TRAVEL		90.0	95.0	100.2	105.7	111.5
300 CONTRACTUAL		100.0	105.5	111.3	117.4	123.9
400 COMMODITIES		8.0	8.4	8.9	9.4	9.9
500 EQUIPMENT		20.5				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		708.5	725.9	765.8	807.9	852.3

B. FUNDING: (Thousands of dollars)

GENERAL FUND		708.5	725.9	765.8	807.9	852.3
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	/	28/	28/	28/	28/	28/
MAN MONTHS (P./T.)	/	336/	336/	336/	336/	336/

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

See memorandum dated March 21, 1973 from F. P. Boetsch,
Director of Audit.

IV. ATTACHMENTS

V. DATE: 3.22.73 PREPARED BY: *R.S. [Signature]*
 Commissioner of Revenue

Original: Legislative Finance
 cc: Budget and Management
Prime Sponsor (First Legislator Named)

STATE
of ALASKA

MEMORANDUM

TO: R. D. Stevenson
Commissioner

DATE : March 21, 1973

FROM: Fred Boetsch
Director of Audit *FB*

SUBJECT: HB 245 and CSHB 245

Basically, both the original bill and the Committee Substitute provide for an annual tax to be imposed by the State in the amount of 20 mills on all property used in the production and transportation of unrefined oil and gas. This would include, but not be limited to, existing facilities in the Kenai-Cook Inlet area, existing and proposed facilities in the North Slope area, the Trans-Alaska Pipeline System, and all related facilities including the tanker terminal at Valdez.

We note the differences between the two bills below:

1. The original bill would start the levy of the tax on all property on January 1, 1974. The Committee Substitute would start the tax at the same time except for the Trans-Alaska Pipeline System and wells on the North Slope. With respect to the TAPS line, the tax would not start until the appropriate federal agency acquired legal authority to issue necessary permits to commence construction of the line and with respect to production equipment the tax would not be imposed until the well is producing.

2. The original bill provides that local governments in which the facility is located may levy a tax not to exceed 20 mills on not more than 25 percent of the value of property located in their jurisdiction which is subject to the tax under the bill. In effect, this would allow the local governments to tax the value of facilities located in their area up to five mills. The Committee Substitute, on the other hand, allows local governments to impose a tax of up to seven mills on the same property. Such local taxes would be in lieu of the statewide tax. In effect, then, there would be a revenue sharing back to the local governments to the extent of either five mills in the case of the original bill, or seven mills in the case of the Committee Substitute.

3. The original bill provides that the taxes are payable to the Department of Revenue by September 30 of the tax year whereas the Committee Substitute provides that payment shall be made by June 30 of the tax year.

4. The original bill provides that the rental formulas for pipeline right-of-way under AS 38.35.140 as they presently stand are repealed and another method substituted. The Committee Substitute does not provide for the repealer of existing right-of-way leasing formulas.

I am attaching four different projections. One projection indicates the property tax revenues that could be expected under House Bill 245 as originally written, and is so labeled. This indicates the five-mill sharing back to local governments. The projection labeled "Revenues from State Right-of-Way Leasing Act" indicates the losses which could be expected from passage of the original bill due to elimination of the formulas. The two projections for the Committee Substitute are labeled Case A and Case B. Case A provides the projection in case permit granting authority is received prior to January 1 of 1974 in which case the pipe on hand would be subject to the tax on January 1, 1974. Case B assumes that permit granting authority is not received until after January 1, 1974 in which case none of the pipe would be subject to the tax. All cases assume that construction starts on July 1 of 1974 and production starts on July 1 of 1977 with respect to the North Slope activity. Basically, these projections indicate very substantial tax revenues in the first year of construction, rising very rapidly after that, and then levelling off in 1978-79 with slow growth thereafter due to the addition of new producing wells on the North Slope.

I am also attaching a Fiscal Note which indicates the cost of administering either bill since the fundamental problem is the assessment of the values of property during the construction phase and subsequent thereto. Due to the magnitude of the projected revenues and their importance to the funding of State government, I have tentatively accorded this function the status of Division-level operation within the Department of Revenue. I propose that this be known as the Property Tax Division. It is important that we recognize the magnitude of the project under consideration. We are talking about an ultimate assessed valuation of close to \$6 billion which is more than double the assessed valuation of the State of Alaska at the present time (approximately \$2.7 billion). I have divided the Property Tax Division into two sections: Audit and Engineering. The Audit Section is necessary to review the records of construction firms and oil companies involved in the projects in order to ascertain cost measures. The engineers are necessary to determine percentage of completion of the facility in accordance with the formula provided for in the bills and to analyze the design of various facilities in order to determine their usage as oil and gas transportation facilities and, in the case of wells, to determine the extent of intangible drilling costs. We have also provided for the necessary accounting and clerical staff to support both engineers and auditors. The total costs projected are very nominal in relation to the total potential revenues from this tax. Due to the rapid climb in revenues in relation to rather slow growth in expenses, the expense to revenue relationship decreases very rapidly once construction commences. It is important, however, that the valuation job be done by competent professionals in both the audit and engineering fields since we are dealing with such a large magnitude project. A relatively small error in determining percentage of completion or in analyzing costs could result in a large difference in the amount of tax collected and in the value of property subject to tax by

local governments under those provisions of the bill.

There are no administrative problems with either version of the bill from the viewpoint of the Department of Revenue other than the fact that we will be unable to enforce either bill without funding in accordance with the Fiscal Note recommendation. We simply do not at the present time have any staff capable of doing a proper job of assessment on these projects. Therefore, it is imperative that the Division of Property Taxes be funded if either bill is passed so that we can be in a position to protect State revenues from this vital source.

FPB:mbc
Enc.

cc: L. C. Eppenbach,
Deputy Commissioner of Treasury

HOUSE BILL 245
 20 Mill Property Tax on Pipeline and Production Facilities
 Projection of Ad Valorem Tax Revenues
 (\$000 Omitted)

	<u>FY 74</u>	<u>FY 75</u>	<u>FY 76</u>	<u>FY 77</u>	<u>FY 78</u>	<u>FY 79</u>	<u>FY 80</u>	<u>FY 81</u>	<u>FY 82</u>	<u>FY 83</u>
Tax on TAPS Pipeline	\$ 4,574.0	\$22,055.9	\$40,853.1	\$59,947.1	\$69,211.1	\$70,000.0	\$70,000.0	\$70,000.0	\$70,000.0	\$70,000.0
Tax on Other Pipeline & Production Facilities	<u>\$11,980.0</u>	<u>\$13,020.0</u>	<u>\$15,420.0</u>	<u>\$17,860.0</u>	<u>\$21,840.0</u>	<u>\$22,740.0</u>	<u>\$23,540.0</u>	<u>\$24,140.0</u>	<u>\$24,480.0</u>	<u>\$24,620.0</u>
Total Gross Tax Collections	\$16,554.0	\$35,075.9	\$56,273.1	\$77,807.6	\$91,051.1	\$92,740.0	\$93,540.0	\$94,140.0	\$94,480.0	\$94,620.0
Less:										
Shared to Local Governments (see below)	<u>3,690.8</u>	<u>5,322.2</u>	<u>7,683.9</u>	<u>10,083.5</u>	<u>11,946.6</u>	<u>12,245.5</u>	<u>12,445.5</u>	<u>12,595.5</u>	<u>12,680.5</u>	<u>12,715.5</u>
Net Revenue to State Treasury	<u>\$12,863.2</u>	<u>\$29,753.7</u>	<u>\$48,589.2</u>	<u>\$67,724.1</u>	<u>\$79,104.5</u>	<u>\$80,494.5</u>	<u>\$81,094.5</u>	<u>\$81,544.5</u>	<u>\$81,799.5</u>	<u>\$81,904.5</u>
Local Governments' Share of Property Tax:										
North Slope Borough	\$ 902.8	\$ 1,928.3	\$ 3,311.0	\$ 4,716.0	\$ 6,096.7	\$ 6,354.5	\$ 6,554.5	\$ 6,704.5	\$ 6,789.5	\$ 6,824.5
North Star Borough	203.5	334.5	619.5	909.1	1,049.4	1,061.5	1,061.5	1,061.5	1,061.5	1,061.5
City of Valdez	339.5	814.4	1,508.4	2,213.4	2,555.4	2,584.5	2,584.5	2,584.5	2,584.5	2,584.5
Kenai Borough	<u>2,245.0</u>	<u>2,245.0</u>	<u>2,245.0</u>	<u>2,245.0</u>	<u>2,245.0</u>	<u>2,245.0</u>	<u>2,245.0</u>	<u>2,245.0</u>	<u>2,245.0</u>	<u>2,245.0</u>
Total Shared Revenue	<u>\$ 3,690.8</u>	<u>\$ 5,322.2</u>	<u>\$ 7,683.9</u>	<u>\$10,083.5</u>	<u>\$11,946.6</u>	<u>\$12,245.5</u>	<u>\$12,445.5</u>	<u>\$12,595.5</u>	<u>\$12,680.5</u>	<u>\$12,715.5</u>

Assumptions:

1. Construction starts July 1, 1974
2. Production starts July 1, 1977

Revenues from State
Right-of-Way Leasing Act
(Millions of Dollars)

	Year of TAPS Pipeline Operation				Average 35 Years
	<u>1st</u>	<u>5th</u>	<u>10th</u>	<u>20th</u>	
At 4% ICC Return	2.1	2.1	4.5	21.5	15.4
At 5% ICC Return	3.4	6.2	13.7	30.1	22.7
At 7% ICC Return	25.1	29.1	44.6	47.1	40.6

At a 4% ICC rate of return North Slope oil corporations will maximize their total profits. This ICC return rate and the concurrent revenues to the State are the most likely case.

Committee Substitute for HOUSE BILL 245 (Case A)
 20 Mill Property Tax on Pipeline and Production Facilities
 Projection of Ad Valorem Tax Revenues
 (\$000 Omitted)

	<u>FY 74</u>	<u>FY 75</u>	<u>FY 76</u>	<u>FY 77</u>	<u>FY 78</u>	<u>FY 79</u>	<u>FY 80</u>	<u>FY 81</u>	<u>FY 82</u>	<u>FY 83</u>
Tax on TAPS Pipeline	\$ 4,574.0	\$22,055.9	\$40,853.1	\$59,947.6	\$69,211.1	\$70,000.0	\$70,000.0	\$70,000.0	\$70,000.0	\$70,000.0
Tax on Other Pipeline & Production Facilities	<u>11,980.0</u>	<u>13,020.0</u>	<u>15,420.0</u>	<u>17,860.0</u>	<u>21,840.0</u>	<u>22,740.0</u>	<u>23,540.0</u>	<u>24,140.0</u>	<u>24,480.0</u>	<u>24,620.0</u>
Total Gross Tax Collections	\$16,554.0	\$35,075.9	\$56,273.1	\$77,807.6	\$91,051.1	\$92,740.0	\$93,540.0	\$94,140.0	\$94,480.0	\$94,620.0
Less:										
Shared to Local Governments (see below)	<u>\$ 5,167.1</u>	<u>\$ 7,451.4</u>	<u>\$10,757.4</u>	<u>\$14,116.8</u>	<u>\$16,725.2</u>	<u>\$17,143.7</u>	<u>\$17,423.7</u>	<u>\$17,633.7</u>	<u>\$17,752.7</u>	<u>\$17,801.7</u>
Net Revenue to State Treasury	<u>\$11,386.9</u>	<u>\$27,624.5</u>	<u>\$45,515.7</u>	<u>\$63,690.8</u>	<u>\$74,325.9</u>	<u>\$75,596.9</u>	<u>\$76,116.3</u>	<u>\$76,506.3</u>	<u>\$76,727.3</u>	<u>\$76,818.3</u>
Local Governments' Share of Property Tax:										
North Slope Borough	\$ 1,263.9	\$ 2,700.0	\$ 4,635.4	\$ 6,602.4	\$ 8,535.4	\$ 8,896.3	\$ 9,176.3	\$ 9,386.3	\$ 9,505.3	\$ 9,554.3
North Star Borough	284.9	468.3	867.3	1,272.7	1,469.3	1,485.1	1,486.1	1,486.1	1,486.1	1,486.1
City of Valdez	475.3	1,140.1	2,111.7	3,098.7	3,577.5	3,618.3	3,618.3	3,618.3	3,618.3	3,618.3
Kenai Borough	<u>3,143.0</u>	<u>3,143.0</u>	<u>3,143.0</u>	<u>3,143.0</u>	<u>3,143.0</u>	<u>3,143.0</u>	<u>3,143.0</u>	<u>3,143.0</u>	<u>3,143.0</u>	<u>3,143.0</u>
Total Shared Revenue	<u>\$ 5,167.1</u>	<u>\$ 7,451.4</u>	<u>\$10,757.4</u>	<u>\$14,116.8</u>	<u>\$16,725.2</u>	<u>\$17,143.7</u>	<u>\$17,423.7</u>	<u>\$17,633.7</u>	<u>\$17,752.7</u>	<u>\$17,801.7</u>

Assumptions:

1. Permit granting authority received prior to January 1, 1974
2. Construction starts July 1, 1974
3. Production starts July 1, 1977

Committee Substitute for HOUSE BILL 245 (Case B)
 20 Mill Property Tax on Pipeline and Production Facilities
 Projection of Ad Valorem Tax Revenues
 (\$000 Omitted)

	<u>FY 74</u>	<u>FY 75</u>	<u>FY 76</u>	<u>FY 77</u>	<u>FY 78</u>	<u>FY 79</u>	<u>FY 80</u>	<u>FY 81</u>	<u>FY 82</u>	<u>FY 83</u>
Tax on TAPS Pipeline	\$ -0-	\$22,055.9	\$40,853.1	\$59,947.6	\$69,211.1	\$70,000.0	\$70,000.0	\$70,000.0	\$70,000.0	\$70,000.0
Tax on Other Pipeline & Production Facilities	<u>11,980.0</u>	<u>13,020.0</u>	<u>15,420.0</u>	<u>17,860.0</u>	<u>21,840.0</u>	<u>22,740.0</u>	<u>23,540.0</u>	<u>24,140.0</u>	<u>24,480.0</u>	<u>24,620.0</u>
Total Gross Tax Collections	\$11,980.0	\$35,075.9	\$56,273.1	\$77,807.6	\$91,051.1	\$92,740.0	\$93,540.0	\$94,140.0	\$94,480.0	\$94,620.0
Less:										
Shared to Local Governments (see below)	<u>4,193.0</u>	<u>7,451.4</u>	<u>10,757.4</u>	<u>14,116.8</u>	<u>16,725.2</u>	<u>17,143.7</u>	<u>17,423.7</u>	<u>17,633.7</u>	<u>17,752.7</u>	<u>17,801.7</u>
Net Revenue to State Treasury	<u>\$7,787.0</u>	<u>\$27,624.5</u>	<u>\$45,515.7</u>	<u>\$63,690.8</u>	<u>\$74,325.9</u>	<u>\$75,596.9</u>	<u>\$76,116.3</u>	<u>\$76,506.3</u>	<u>\$76,727.3</u>	<u>\$76,818.3</u>
Local Governments' Share of Property Tax:										
North Slope Borough	\$ 1,050.0	\$ 2,700.0	\$ 4,635.4	\$ 6,602.4	\$ 8,535.4	\$ 8,896.3	\$ 9,176.3	\$ 9,386.3	\$ 9,505.3	\$ 9,554.3
North Star Borough	-0-	468.3	867.3	1,272.7	1,469.3	1,486.1	1,486.1	1,486.1	1,486.1	1,486.1
City of Valdez	-0-	1,140.1	2,111.7	3,098.7	3,577.5	3,618.3	3,618.3	3,618.3	3,618.3	3,618.3
Kenai Borough	<u>3,143.0</u>	<u>3,143.0</u>	<u>3,143.0</u>	<u>3,143.0</u>	<u>3,143.0</u>	<u>3,143.0</u>	<u>3,143.0</u>	<u>3,143.0</u>	<u>3,143.0</u>	<u>3,143.0</u>
Total Shared Revenue	<u>\$ 4,193.0</u>	<u>\$ 7,451.4</u>	<u>\$10,757.4</u>	<u>\$14,116.8</u>	<u>\$16,725.2</u>	<u>\$17,143.7</u>	<u>\$17,423.7</u>	<u>\$17,633.7</u>	<u>\$17,752.7</u>	<u>\$17,801.7</u>

Assumptions:

1. Permit granting authority received subsequent to January 1, 1974, but before July 1, 1974
2. Construction starts July 1, 1974
3. Production starts July 1, 1977

Proposed Amendments to HB 245

Page 1,

lines 6-7, delete and substitute, For an Act entitled:

"An Act providing for a state tax on property used in transportation and production of unrefined oil and gas; and providing for an effective date."

line 13, ...personal property actually used or designed or intended for use [EMPLOYED] in the...

line 14, ...unrefined oil and gas. With respect to the facility known as the transalaska pipeline, the tax does not apply until the appropriate federal agency acquires legal authority to issue the permits necessary to begin construction of that facility. The tax for the year in which the authority is acquired shall be pro-rated from the time of acquisition.

line 24, ...assessment date according to the percentage of completion method.

lines 25-26, ... not to exceed 7 mills on [20 MILLS ON NOT MORE THAN 25% OF] the full and true value ,as determined in accordance with sections 40-70 of this chapter, of taxable real...

Page 2

line 8, section 20, add a new paragraph to read:

(3) production machinery, appliances, and equipment used in and around a well, until the well is producing oil or gas, at which time the exemption terminates.

Page 3

line 2, ... June 30 [SEPTEMBER 30]...

line 29 ... regulations in accordance with AS 44.62. as...

Page 4

lines 3-5, delete.

*Sec 2, delete.

STATE OF ALASKA
REVENUE

BUDGET PLANNING MODEL

HB 245

RUN ID RUN 26

DATE FEBRUARY 8, 1973

COMMENTS

PIPELINE CONSTRUCTION BEGINS IN FY 1975
OIL FLOWS IN FY 1978
RIGHT-OF-WAY LEASING 4%
TAX PACKAGE INCLUDED

3-6-73

ASSUMPTIONS

ANNUAL RATE OF INTEREST ON GENERAL FUND = 7.00%
ANNUAL RATE OF INTEREST ON NEW BONDS = 6.00%
MATURITY PERIOD ON NEW BONDS IN YEARS = 20.
% OF CURRENT YR EXPEND. IN GEN. CASH BAL = 20.00%
ANN OPER EXPEND GROWTH RATE AFTER 1ST YR = 5.00%

FISCAL YEAR	NON INVESTMENT REVENUE	INVESTMENT INTEREST	TOTAL REVENUE	OPERATING EXPENDITURE	DEBT SERVICE	MISC EXP SHD TAXES OF CAP EX	TOTAL EXPENDITURE	SURPLUS OR DEFICIT	GENERAL FUND END OF YEAR
1973									642638.0
1974	181847.0	45877.2	227724.2	318666.0	26441.0	2193.0	357300.0	-129575.8	513062.2
1975	182511.0	33244.3	215755.3	334599.0	30000.0	2821.0	377420.0	-161664.9	351397.4
1976	195180.0	19652.5	214832.4	351328.6	33200.0	3165.0	397693.6	-182861.2	168536.3
1977	201058.0	5191.8	206249.8	368894.6	40000.0	3278.0	422172.6	-215922.8	-47386.6
1978	342023.0	-6022.0	336000.9	387339.1	45500.0	3898.0	461737.1	-125736.1	-173122.7
1979	517876.0	-8642.8	509233.1	406705.6	52100.0	15620.0	504425.6	4807.5	-168315.2
1980	541939.0	-6666.0	535272.9	427040.4	55300.0	46391.0	528731.4	6541.5	-161773.7
1981	565499.0	-4740.6	560758.4	448391.8	58200.0	48794.0	554885.8	5872.6	-155901.1
1982	571140.0	-3618.4	567521.6	470811.1	61600.0	48250.0	580661.1	-13139.5	-169040.6
1983	583091.0	-3839.8	579251.2	494351.1	66800.0	51627.0	612778.1	-33526.9	-202567.5
	3882164.0	70435.8	3952597.0	4008125.0	469141.0	320537.0	4797802.0	-845205.5	

STATE OF ALASKA
REVENUE

BUDGET PLANNING MODEL

*How's
HB 59*

RUN ID RUN 40

DATE FEBRUARY 8, 1973

COMMENTS

PIPELINE CONSTRUCTION BEGINS IN FY 1975
OIL FLOWS IN FY 1978
RIGHT-OF-WAY LEASING 4%
TAX PACKAGE INCLUDED
PROPERTY TAX INCLUDED

ASSUMPTIONS

ANNUAL RATE OF INTEREST ON GENERAL FUND = 7.00%

ANNUAL RATE OF INTEREST ON NEW BONDS = 6.00%

MATURITY PERIOD ON NEW BONDS IN YEARS = 20.

% OF CURRENT YR EXPEND. IN G.F. CASH BAL = 20.00%

ANN OPER EXPEND GROWTH RATE AFTER 1ST YR = 5.00%

FISCAL YEAR	NON INVESTMENT REVENUE	INVESTMENT INTEREST	TOTAL REVENUE	OPERATING EXPENDITURE	DEBT SERVICE	MISC EXP SHD TAXES GF C/ P EX	TOTAL EXPENDITURE	SURPLUS OR DEFICIT	GENERAL FUND END OF YEAR
1973									642638.0
1974	185864.0	46022.9	231886.9	318666.0	26441.0	12133.0	357300.0	-125413.1	517224.9
1975	202913.0	34275.6	237188.6	334599.0	30000.0	12121.0	377420.0	-140231.4	376993.4
1976	232959.0	22794.0	255753.0	351328.6	33200.0	13155.0	397093.6	-141940.6	235052.8
1977	256511.0	11714.8	268225.8	368894.6	40000.0	13178.0	422172.6	-153946.8	81106.1
1978	406045.0	4834.3	410879.3	387339.1	45500.0	28138.0	461737.1	-50857.8	30248.3
1979	582628.0	6884.0	589512.0	406705.6	52100.0	45629.0	504425.6	85086.4	115334.6
1980	606691.0	13557.	620248.8	427040.4	55300.0	46391.0	528731.4	91517.4	206852.0
1981	630251.0	20180.3	650431.3	448391.8	58200.0	48294.0	554885.8	95545.6	302397.6
1982	635892.0	25999.5	661891.5	470811.1	61600.0	48250.0	580661.1	81230.4	383628.0
1983	647843.0	30475.2	678318.2	494351.1	66800.0	51127.0	612778.1	65540.1	449168.1
	4387597.0	216738.4	4604333.0	4008125.0	469141.0	320537.0	4797802.0	-193469.9	

HB 245

Revenues from State
Right-of-Way Leasing Act

in Thousands of dollars

	<u>F.Y.</u> <u>1978</u>	<u>F.Y.</u> <u>1979</u>	<u>F.Y.</u> <u>1980</u>	<u>F.Y.</u> <u>1981</u>	<u>F.Y.</u> <u>1982</u>	<u>F.Y.</u> <u>1983</u>	<u>F.Y.</u> <u>1990</u>	<u>F.Y.</u> <u>2000</u>	<u>Average</u>
At 4% ICC Return	\$ 2,078	\$ 2,078	\$ 2,078	\$ 2,078	\$ 2,078	\$ 2,078	\$ 8,721	\$27,140	\$15,436
at 5% ICC Return	3,455	4,121	4,796	5,479	6,169	7,548	18,546	35,168	22,699
At 7% ICC Return	25,105	26,074	27,067	28,083	29,121	30,182	38,196	51,223	40,580

COMMITTEE REPORT

HOUSE

Mr. Speaker:

Date 3-14-93

The Committee on Commerce has had HB 245

under consideration. A Majority of the members of the Committee

- recommends it DO PASS
- recommends it DO NOT PASS
- recommends it DO PASS WITH ATTACHED AMENDMENT(S)
- recommends it BE REPLACED WITH CS FOR HB 245 AND THAT
CS FOR HB 245 DO PASS
- "and" recommends it BE REFERRED TO THE _____
COMMITTEE
- reports it back WITHOUT RECOMMENDATION
- "other"

Members signing the Majority report:

Members NOT concurring in the Majority report:

_____ recommends: _____
 _____ recommends: _____
 _____ recommends: _____
 _____ recommends: _____
 _____ recommends: _____

Richard L. ... Chairman

PROPOSED AMENDMENT, HB-245

Page one, line 21

Sec 010:

Subsection (a)

line 21: delete: "and other facilities"

line 24: add: "The tax imposed by this subsection shall not be applied on production facilities until such facilities are actually employed in the production of oil and gas."

Proposed Amendments to HB 245

Page 1,

lines 6-7, delete and substitute, For an Act entitled:

"An Act providing for a state tax on property used in transportation and production of unrefined oil and gas; and providing for an effective date."

2 line 13, ...personal property actually used or designed or intended for use [EMPLOYED] in the...

3 line 14, ...unrefined oil and gas. With respect to the facility known as the transalaska pipeline, the tax does not apply until the appropriate federal agency acquires legal authority to issue the permits necessary to begin construction of that facility. The tax for the year in which the authority is acquired shall be prorated from the time of acquisition.

line 24, ...assessment date according to the percentage of completion method.

lines 25-26, ... not to exceed 7 mills on [20 MILLS ON NOT MORE THAN 25% OF] the full and true value ,as determined in accordance with sections 40-70 of this chapter, of taxable real...

Page 2

line 8, section 20, add a new paragraph to read:

(3) production machinery, appliances, and equipment used in and around a well, until the well is producing oil or gas, at which time the exemption terminates.

Page 3

line 2, ... June 30 [SEPTEMBER 30]...

line 29 ... regulations in accordance with AS 44.62. as...

Page 4

lines 3-5, delete.

*Sec 2, delete.

Page 1, line 19 delete "property"; insert "equipment"

UNITED STATES
PROPERTY TAX RATES

Department of Revenue
Treasury Division
Audit Division

Minnesota Commission on Taxation

Average Property Tax Rates of All States

	<u>Rate of Assessment</u>	<u>Tax Rate (in Mills)</u>	<u>Effective Rate on Full Market Value (in Mills)</u>
Alabama	16.9	34.0	5.74
Alaska	94.55	14.25	13.47
Arizona	18.9	106.9	20.20
Arkansas	16.0	65.7	10.51
California	19.7	114.3	22.52
Colorado	27.2	90.04	24.49
Connecticut	58.0	49.94	28.96
Delaware	53.4	53.21	28.41
District of Columbia	54.3	32.0	17.37
Florida	85.0	15.9	13.51
Georgia	29.39	41.5	12.12
Hawaii	62.4	18.739	11.69
Idaho	11.95	105.2	12.57
Illinois	41.7	58.1	24.23
Indiana	25.6	105.12	26.91
Iowa	24.6	99.635	24.51
Kansas	20.0	83.871	16.77
Kentucky	87.5	12.383	10.84
Louisiana	17.8	68.89	12.26
Maine	58.6	59.92	35.11
Maryland	52.9	30.07	15.91
Massachusetts	49.1	59.70	29.31
Michigan	28.2	49.54	19.97
Minnesota	30.1	297.47	32.00
Mississippi	15.0	95.0	14.25
Missouri	27.6	50.0	13.80
Montana	40.0	200.0	26.00
Nebraska	31.8	70.34	22.37
Nevada	29.4	46.0	13.52
New Hampshire	70.0	40.3	28.21
New Jersey	75.41	47.4	35.74
New Mexico	23.2	30.8	7.15
New York	48.0	42.17	20.24
North Carolina	46.6	30.0	13.98
North Dakota	21.0	172.63	18.12
Ohio	31.0	46.7	14.48
Oklahoma	20.0	75.0	15.00
Oregon	87.2	27.02	23.56
Pennsylvania	42.8	83.10	35.57
Rhode Island	59.51	45.54	27.10
South Carolina	5.6	193.57	10.84
South Dakota	38.2	52.47	20.04
Tennessee	28.9	49.61	14.34
Texas	21.7	46.62	10.12
Utah	16.2	90.67	14.69
Vermont	36.04	6,820.0	24.57
Virginia	35.1	31.3	10.99
Washington	36.9	42.84	15.81
West Virginia	52.61	14.0	7.37
Wisconsin	60.56	57.65	34.91
Wyoming	20.2	60.542	12.23
National Average			<u>19.10</u>



REPRESENTATIVE WILLARD L. BOWMAN

ALASKA STATE LEGISLATURE

POUCH V - STATE CAPITOL
JUNEAU, ALASKA 99801

1112 EAST 69TH AVENUE
ANCHORAGE, ALASKA 99502

February 24, 1973

Dr. Thomas Barrow
President
Humble Oil and Refining Company
The Humble Building
Houston, Texas

Dear Dr. Barrow:

The Alaska State Legislature is considering the enactment of House Bill 245, entitled "An act relating to oil and gas revenue." This bill would impose a 20-mill ad valorem property tax on oil and gas production and transportation equipment, and would also repeal AS 38.35.140, the revenue formula for State right-of-way leases in the Alaska Right-of-Way Leasing Act of 1972.

The repeal of the revenue formula is intended, according to the sponsors, to make the Right-of-Way Leasing Act acceptable to companies participating in the trans-Alaska pipeline, and to moot the litigation between companies and State now in State Superior Court. I understand that this litigation could possibly delay construction of the pipeline, if a Federal permit for construction were issued, and if the points of conflict in the industry-State litigation were unresolved at that time.

One question is this: Would the enactment of HB-245 in its present form by the Alaska Legislature allow your company to withdraw from the litigation you have joined with other companies against the State, over the Right-of-Way Leasing Act?

A second question is this: If the enactment of HB-245 would not resolve the basic issues of contest with the State, would it tend to complicate and perhaps further delay the court's consideration of the issues involved?

A prompt answer is urgent. Please write or telegraph your reply as soon as possible.

Sincerely,

A handwritten signature in cursive script that reads "Willard L. Bowman".

Willard L. Bowman

PROPOSED AMENDMENT, HB-245

Page one, line 21

Sec 010:

Subsection (a)

line 21: delete: "and other facilities"

line 24: add: "The tax imposed by this subsection shall not be applied on production facilities until such facilities are actually employed in the production of oil and gas."

Revenues from State
Right-of-Way Leasing Act

	<u>F.Y.</u> <u>1978</u>	<u>F.Y.</u> <u>1979</u>	<u>F.Y.</u> <u>1980</u>	<u>F.Y.</u> <u>1981</u>	<u>F.Y.</u> <u>1982</u>	<u>F.Y.</u> <u>1983</u>	<u>F.Y.</u> <u>1990</u>	<u>F.Y.</u> <u>2000</u>	<u>Average</u>
At 4% ICC Return	\$ 2,078	\$ 2,078	\$ 2,078	\$ 2,078	\$ 2,078	\$ 2,078	\$ 8,721	\$27,140	\$15,436
at 5% ICC Return	3,455	4,121	4,796	5,479	6,169	7,548	18,546	35,168	22,699
At 7% ICC Return	25,105	26,074	27,067	28,083	29,121	30,182	38,196	51,223	40,580

STATE OF ALASKA
REVENUE

BUDGET PLANNING MODEL

RUN ID RUN 26

DATE FEBRUARY 8, 1973

COMMENTS

PIPELINE CONSTRUCTION BEGINS IN FY 1975
OIL FLOWS IN FY 1978
RIGHT-OF-WAY LEASING 4%
TAX PACKAGE INCLUDED

ASSUMPTIONS

ANNUAL RATE OF INTEREST ON GENERAL FUND = 7.00%
ANNUAL RATE OF INTEREST ON NEW BONDS = 6.00%
MATURITY PERIOD ON NEW BONDS IN YEARS = 20.
% OF CURRENT YR EXPEND. IN G.F. CASH BAL = 20.00%
ANN OPER EXPEND GROWTH RATE AFTER 1ST YR = 5.00%

FISCAL YEAR	NON INVESTMENT REVENUE	INVESTMENT INTEREST	TOTAL REVENUE	OPERATING EXPENDITURE	DEBT SERVICE	MISC EXP SHD TAXES GF CAP EX	TOTAL EXPENDITURE	SURPLUS OR DEFICIT	GENERAL FUND END OF YEAR
1973									642638.0
1974	181847.0	45877.2	227724.2	318666.0	26441.0	12193.0	357300.0	-129575.8	513062.2
1975	182511.0	33244.3	215755.3	334599.0	30000.0	12821.0	377420.0	-161664.8	351397.4
1976	195180.0	19652.5	214832.4	351328.6	33200.0	13165.0	397693.6	-182861.2	168536.3
1977	201058.0	5191.8	206249.8	368894.6	40000.0	3278.0	422172.6	-215922.8	-47386.6
1978	342023.0	-6022.0	336000.9	387339.1	45500.0	8898.0	461737.1	-125736.1	-173122.7
1979	517876.0	-8642.8	509233.1	406705.6	52100.0	15620.0	504425.6	4807.5	-168315.2
1980	541939.0	-6666.0	535272.9	427040.4	55300.0	13391.0	528731.4	6541.5	-161773.7
1981	565499.0	-4740.6	560758.4	448391.8	58200.0	48794.0	554885.8	5872.6	-155901.1
1982	571140.0	-3618.4	567521.6	470811.1	61600.0	48250.0	580661.1	-13139.5	-169040.6
1983	583091.0	-3839.8	579251.2	494351.1	66800.0	51627.0	612778.1	-33526.9	-202567.5
	3882164.0	70435.8	3952597.0	4008125.0	469141.0	309537.0	4797802.0	-845205.5	

STATE OF ALAS A
REVENUE

BUDGET PLANNING MODEL

RUN ID RUN 40

DATE FEBRUARY 8, 1973

COMMENTS

PIPELINE CONSTRUCTION BEGINS IN FY 1975
OIL FLOWS IN FY 1978
RIGHT-OF-WAY LEASING 4%
TAX PACKAGE INCLUDED
PROPERTY TAX INCLUDED

ASSUMPTIONS

ANNUAL RATE OF INTEREST ON GENERAL FUND = 7.00%

ANNUAL RATE OF INTEREST ON NEW BONDS = 6.00%

MATURITY PERIOD ON NEW BONDS IN YEARS = 20.

% OF CURRENT YR EXPEND. IN G.F. CASH BAL = 20.00%

ANN OPER EXPEND GROWTH RATE AFTER 1ST YR = 5.00%

FISCAL YEAR	NON INVESTMENT REVENUE	INVESTMENT INTEREST	TOTAL REVENUE	OPERATING EXPENDITURE	DEBT SERVICE	MISC EXP SHD TAXES GF CAP EX	TOTAL EXPENDITURE	SURPLUS OR DEFICIT	GENERAL FUND END OF YEAR
1973									642638.0
1974	185864.0	46022.9	231886.9	318666.0	26441.0	12193.0	357300.0	-125413.1	517224.9
1975	202913.0	34275.6	237188.6	334599.0	30000.0	12121.0	377420.0	-140231.4	376993.4
1976	232959.0	22794.0	255753.0	351328.6	33200.0	13155.0	397693.6	-141940.6	235052.8
1977	256511.0	11714.8	268225.8	368894.6	40000.0	13178.0	422172.6	-153946.8	81106.1
1978	406045.0	4834.3	410879.3	387339.1	45500.0	28138.0	461737.1	-50857.8	30248.3
1979	582628.0	6884.0	589512.0	406705.6	52100.0	45620.0	504425.6	85086.4	115334.6
1980	606691.0	13557.9	620248.8	427040.4	55300.0	46391.0	526731.4	91517.4	206852.0
1981	630251.0	20180.3	650431.3	448391.8	58200.0	48294.0	554885.8	95545.6	302397.6
1982	635892.0	25999.5	661891.5	470811.1	61600.0	48250.0	580661.1	81230.4	383628.0
1983	647843.0	30475.2	678318.2	494351.1	66800.0	51127.0	611778.1	65540.1	449168.1
	4387597.0	216738.4	4604333.0	4008125.0	469141.0	320137.0	4797862.0	-193469.9	

STATE OF ALASKA
REVENUE

BUDGET PLANNING MODEL

RUN ID RUN 106 (245)

DATE MARCH 6, 1973

COMMENTS

PIPELINE CONSTRUCTION BEGINS JULY 1, 1974 (FY 1975)
OIL FLOWS IN FY 1978
TAX PACKAGE INCLUDED
PROPERTY TAX INCLUDED (HOUSE BILL 245)

ASSUMPTION

ANNUAL RATE OF INTEREST ON GENERAL FUND = 7.00%
ANNUAL RATE OF INTEREST ON NEW BONDS = 6.00%
MATURITY PERIOD ON NEW BONDS IN YEARS = 20.
% OF CURRENT YR EXPEND. IN G.F. CASH BAL = 20.00%
ANN OPER EXPEND GROWTH RATE AFTER 1ST YR = 5.00%

FISCAL YEAR	NON INVESTMENT REVENUE	INVESTMENT INTEREST	TOTAL REVENUE	OPERATING EXPENDITURE	DEBT SERVICE	MISC EXP S&D TAXES GF CAP EX	TOTAL EXPENDITURE	SURPLUS OR DEFICIT	GENERAL FUND END OF YEAR
1973									642638.0
1974	193905.0	46314.6	240219.6	318666.0	26441.0	1 193.0	357300.0	-117080.4	525557.6
1975	213202.0	35232.1	248434.1	334599.0	30000.0	1 821.0	377420.0	-128985.9	396571.6
1976	246582.0	24617.7	271199.7	351328.6	33200.0	15165.0	397693.6	-126493.9	270077.7
1977	271642.0	14581.5	286223.4	368894.6	40000.0	13278.0	422172.6	-135949.1	134128.6
1978	423512.0	8883.2	432395.2	387339.1	45500.0	28898.0	461737.1	-29341.9	104786.7
1979	602030.0	12276.2	614300.1	406705.6	52100.0	45620.0	504425.6	109874.5	214661.2
1980	627968.0	20419.4	648387.4	427040.4	55300.0	46391.0	528731.4	119655.9	334317.1
1981	652931.0	28636.2	681567.2	448391.8	58200.0	48294.0	554885.8	126681.4	460998.6
1982	659367.0	36129.4	695496.4	470811.1	61600.0	48250.0	580661.1	114835.3	575833.9
1983	671648.0	42319.9	713967.9	484351.1	66800.0	5 627.0	612778.1	101189.8	677023.6
	4562787.0	269403.9	4832188.0	4008125.0	469141.0	32 537.0	4797802.0	34385.6	

STATE OF ALASKA
REVENUE

BUDGET PLANNING MODEL

RUN ID RUN 107

DATE MARCH 6, 1973

COMMENTS

PIPELINE CONSTRUCTION BEGINS JULY 1, 1974 (FY 1975)
OIL FLOWS IN FY 1978
TAX PACKAGE INCLUDED
PROPERTY TAX INCLUDED (HOUSE BILL 245)

ASSUMPTIONS

ANNUAL RATE OF INTEREST ON GENERAL FUND = 7.00%
ANNUAL RATE OF INTEREST ON NEW BONDS = 6.00%
MATURITY PERIOD ON NEW BONDS IN YEARS = 20.
% OF CURRENT YR EXPEND. IN G.F. CASH BAL = 20.00%
ANN OPER EXPEND GROWTH RATE AFTER 1ST YR = 7.00%

FISCAL YEAR	NON INVESTMENT REVENUE	INVESTMENT INTEREST	TOTAL REVENUE	OPERATING EXPENDITURE	DEBT SERVICE	MISC EXP SHD TAXES GF CAP EX	TOTAL EXPENDITURE	SURPLUS OR DEFICIT	GENERAL FUND END OF YEAR
1973									642638.0
1974	193905.0	46314.6	240219.6	318666.0	26441.0	1193.0	357300.0	-117080.4	525557.6
1975	213202.0	35093.4	248295.4	340972.5	30000.0	821.0	383793.5	-135498.1	390059.4
1976	246582.0	23867.9	270449.8	364840.2	33200.0	13165.0	411205.2	-140755.4	249304.1
1977	271642.0	12691.7	284333.6	390378.7	40000.0	13278.0	443656.7	-159323.1	89981.0
1978	423512.0	5263.5	428775.5	417704.8	45500.0	28898.0	492102.8	-63327.3	26653.7
1979	602030.0	6263.8	608293.8	446944.0	52100.0	45620.0	544664.0	63629.8	90283.4
1980	627968.0	11296.8	639264.8	478229.3	55300.0	46391.0	579920.3	59344.4	149627.9
1981	652931.0	15588.5	668519.4	511705.2	58200.0	48294.0	618199.2	50320.3	199948.1
1982	659367.0	18261.7	677628.7	547523.9	61600.0	4250.0	657373.9	20254.8	220202.9
1983	671648.0	18643.7	690291.6	585850.4	66800.0	5627.0	704277.4	-13985.8	206217.2
	4562787.0	193285.1	4756068.0	4402812.0	469141.0	324537.0	5192489.0	-436420.8	

TESTIMONY OF TIM BRADNER

BP ALASKA, INC.

On HOUSE BILL 245

Before the House Committee on
Community and Regional Affairs

Mr. Chairman and members of the committee, my name is Tim Bradner and I represent BP Alaska, Inc., subsidiary of British Petroleum and the operating company in Alaska for the Standard Oil Company of Ohio, owner of Prudhoe Bay leases.

I want to thank you for giving me the opportunity to discuss a particular impact that HB-245 has on my company, and all companies at Prudhoe Bay, which was not intended by the sponsors of the measure. It hits us particularly hard through language that was taken from an ad valorem tax measure intended only for transportation facilities and used in a bill that includes production facilities. The ad valorem tax was intended by its sponsors to include producing facilities actually producing oil and gas, as shown on page one, lines 13 and 14, "property employed in the production of unrefined oil and gas: and in the definition section on page four, which defines taxable real and tangible personal property as machinery, equipment and such used in the operation of wells producing oil and gas.

The problem comes when, if you refer back to page one, line 20, you see, "however, with respect to pipelines and other facilities taxable under this chapter which may be under construction or awaiting construction . . . ". This particular section was taken from the governor's HB-59, which applied only to transportation facilities, and was intended to tax the value of the pipeline while it was under construction. However, as used in HB-245 (which includes

oil and gas production facilities) this language creates an ambiguity which would be interpreted as having the tax apply also to our completed and partially completed, but as yet unproducing, wells and production facilities at Prudhoe Bay. This works a particular hardship on my company, which has made the decision to go ahead with development drilling and the construction of production facilities in the Prudhoe field despite the prospect of a continued and perhaps long delay before production in the field can begin. This was not intended by the bill's sponsors, and in discussing the matter with them, they support an amendment which we now recommend to HB-245, which would clarify the language and have the measure apply only to producing facilities that are actually in use. The sponsors have asked me to recommend this amendment to you gentlemen today, for your consideration when you act on this measure. We had intended to recommend this amendment in the Resources committee, but I did not have the appropriate language ready at the time the bill passed out of Resources. I did discuss the matter with several Resource members, and at least some of their subsequent recommendations of "do pass, with amendment" on HB-245 refers to this amendment.

In providing some additional background on this proposal, I would like to elaborate for a moment as to our present situation in the Prudhoe Bay field. BP Alaska, in the field development program, is responsible for drilling wells and installing production facilities in the western half of the field. Atlantic-Richfield has this responsibility for the eastern side, under a unit operating agreement which has been partly agreed to by all companies with interests in the field. At a time when many petroleum-related firms in Alaska are closing their facilities, cutting back on activities and reducing and transferring their personnel, our company has made a decided effort to keep one to two rigs active in the Prudhoe field, to continue with a schedule

of construction of field production facilities during summers, and in other ways to keep our operations going in the face of pipeline construction delays, including the recent appeals court decision in Washington. Just our activities result in some 260 to 275 jobs for men with families in the Fairbanks, Barrow and Anchorage areas. Those of Atlantic Richfield would be in addition. These 260 jobs include those in our own company, drilling contractors, trucking and transportation, oilwell service and other contractors working for us at Prudhoe Bay today. In addition, our activity substantially impacts probably another 100 jobs, such people as Wien Airline personnel, Interior Airline personnel, and other service industries. Seasonal hiring, for summer construction, is in addition to these figures. We can roughly calculate that our company's contribution, and those of others for whom we operate in the western side of the Prudhoe field, to the economy of Fairbanks and Anchorage probably exceeds \$6 million annually in payroll alone, other service purchases notwithstanding.

Continuing this activity in the face of repeated delays in the pipeline is a difficult financial burden, but there are four reasons that we do it. First, there are certain economies of scale we can enjoy by installing wells and facilities now rather than through crash programs in the future, though this advantage is partially offset by the bearing of a tremendous capital investment with a delayed return. Second, and probably most important to us, we are able to keep together a skilled Alaska technical team that our company has built up in the 12 years that we have been active on the North Slope and the five years that we have been drilling in the Prudhoe field. To close down operations would mean disbanding this team, and it would cost us dearly to rebuild it again. Third, there is an important advantage to us, and to the State, in having as many wells completed and ready for production as

possible, when the pipeline is completed. Fourth, There is a certain sense of corporate citizenship involved in demonstrating to Alaska our confidence that the pipeline will be built and that North Slope oil will flow to market. We feel the best way we can demonstrate this confidence is through continuing our activity as best we can, providing jobs and injecting payroll into Alaska's economy. In doing this, gentlemen, we're adding additional costs to an investment for all companies in the Prudhoe area that now approximates \$1.25 billion, \$900 million of which was paid to the State of Alaska in 1969. Carrying this kind of investment is difficult, even for the number of companies involved.

The 20-mill tax, if imposed on our nonproducing wells and production equipment, would probably result in an additional \$1.5 million to the state treasury, but it would also tend to discourage the development of additional wells and facilities. If HB-245 were passed as is, - and let me stress this, - we would probably not shut down our operations, but it would tend to have an inhibiting effect on any plans for expanding our activity. We ask exemption, of course, only until production begins. At that time we would assume our full share of the tax burden, but it would be an easier burden for us to handle with our facilities earning an income. I would also point out, in addition, that we already bear an uncertain tax burden in the Prudhoe field, imposed by the newly-created North Slope Borough.

To conclude, our company in principle cannot support HB-245 because of its discriminatory nature. We concur in the testimony presented recently by Alyeska Pipeline before the Resources committee on HB-259, in that we would rather bear a property tax that applied generally to all property, with some appropriate homestead and small business exemptions, than a

discriminatory tax that picks out one industry for a very special tax burden. But if the legislature does enact HB-245 or a similar version of it, we ask a temporary relief of the tax for our nonproductive wells and facilities at Prudhoe Bay. We have the concurrence of the sponsors of the measure in this request.

Thank you, Mr. Chairman. This concludes my testimony.

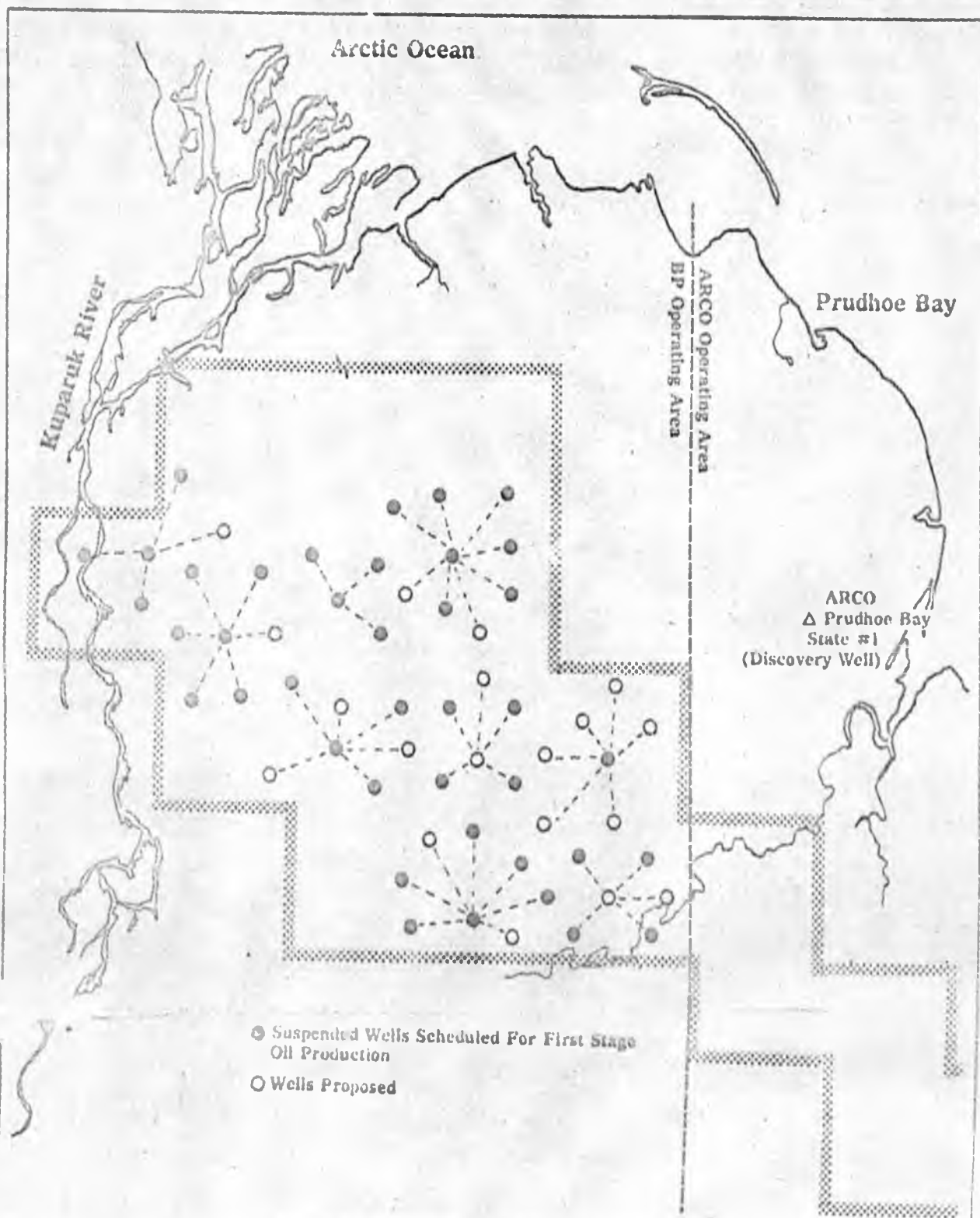
COMPLIMENTARY COPY
 for Members of the Legislature
 courtesy of
 ALASKA AIRLINES

Chorage

Volume 53 No. 24 44 Pages

Anchorage, Alaska, Monday

ALASKA REA



NEW SLOPE WELLS TO BE DRILLED

BP Alaska, Inc., has received permission to drill an additional 19 wells in its operating area on the North Slope. Black dots show the location of the company's wells already drilled in the area, and white dots show the new development wells to be spud. BP officials expect to begin drilling this year, but have not set a date for completion of

the 19 development wells. The company received permission for the drilling from the Alaska Oil and Gas Conservation Committee today. The okay allows BP to drill more than one well per governmental section, which will aid in removing oil on the startup of the trans-Alaska pipeline.

TELEGRAM

HCA ALASKA COMMUNICATIONS, INC.

PHONE: 582-6440

ZCZC 12833 NL FAIRBANKS ALASKA FAUC 08-07 330-5001

PAS REP SELVY CARROL

1973 MAR 2 PM 7 51

JJ 0000

BT

OPPOSE HOUSE BILL 245 AS WRITTEN REQUEST FIRST SENTENCE
SECTION 43.06.01(C) LINES 25-26 PAGE ONE BE CHANGED TO
READ LOCAL GOVERNMENT UNITS MAY LEVY A TAX NOT TO EXCEED
THE RATE LEVIED ON OTHER REAL AND PERSONAL PROPERTY WITHIN
THE LOCAL GOVERNMENT UNIT ON THE FULL AND TRUE VALUE OF
TAXABLE REAL AND TAXABLE PERSONAL PROPERTY EMPLOYED
IN THE PRODUCTION AND TRANSPORTATION OF UNREFINED OIL
AND GAS

JJ CARLSON VAYOR

HOUSE BILL 245
 20 Mill Property Tax on Pipeline & Production Facilities
 Projection of Ad Valorum Tax Revenues
 (\$000 Omitted)

	<u>FY 74</u>	<u>FY 75</u>	<u>FY 76</u>	<u>FY 77</u>	<u>FY 78</u>	<u>FY 79</u>	<u>FY 80</u>	<u>FY 81</u>	<u>FY 82</u>	<u>FY 83</u>
Tax on TAPS Pipeline	\$ 4,574.0	\$22,055.9	\$40,853.1	\$59,947.6	\$69,211.1	\$70,000.0	\$70,000.0	\$70,000.0	\$70,000.0	\$70,000.0
Tax on Other Pipeline & Production Facilities	<u>11,180.0</u>	<u>14,270.0</u>	<u>19,170.0</u>	<u>24,110.0</u>	<u>27,790.0</u>	<u>30,390.0</u>	<u>32,890.0</u>	<u>34,760.0</u>	<u>35,820.0</u>	<u>36,260.0</u>
Total Gross Tax Collections	15,754.0	36,325.9	60,023.1	84,057.6	97,001.1	100,390.0	102,890.0	104,760.0	105,820.0	106,260.0
Less:										
Shared to Local Governments (see Below)	<u>3,695.8</u>	<u>5,634.7</u>	<u>8,621.4</u>	<u>11,396.0</u>	<u>13,434.1</u>	<u>14,158.0</u>	<u>14,783.0</u>	<u>15,250.5</u>	<u>15,515.5</u>	<u>15,625.5</u>
Net Revenue to State Treasury	<u>\$12,058.2</u>	<u>\$30,691.2</u>	<u>\$51,401.7</u>	<u>\$72,661.6</u>	<u>\$83,567.0</u>	<u>\$86,232.0</u>	<u>\$88,107.0</u>	<u>\$89,509.5</u>	<u>\$90,304.5</u>	<u>\$90,634.5</u>
Local Governments' Share of Property Tax:										
North Slope Borough	\$ 907.8	\$ 2,240.8	\$ 4,248.5	\$ 6,028.5	\$ 7,584.2	\$ 8,267.0	\$ 8,892.0	\$ 9,359.5	\$ 9,624.5	\$ 9,734.5
North Star Borough	203.5	334.5	619.5	909.1	1,049.5	1,061.5	1,061.5	1,061.5	1,061.5	1,061.5
City of Valdez	339.5	814.4	1,508.4	2,213.4	2,555.4	2,584.5	2,584.5	2,584.5	2,584.5	2,584.5
Kenai Borough	<u>2,245.0</u>	<u>2,245.0</u>	<u>2,245.0</u>	<u>2,245.0</u>	<u>2,245.0</u>	<u>2,245.0</u>	<u>2,245.0</u>	<u>2,245.0</u>	<u>2,245.0</u>	<u>2,245.0</u>
Total Shared Revenue	<u>\$ 3,695.8</u>	<u>\$ 5,634.7</u>	<u>\$ 8,621.4</u>	<u>\$11,396.0</u>	<u>\$13,434.1</u>	<u>\$14,158.0</u>	<u>\$14,783.0</u>	<u>\$15,250.5</u>	<u>\$15,515.5</u>	<u>\$15,625.5</u>

House Bill 59
Revenue Projections 1974 - 1983
Assuming Construction Starts July 1, 1974
(\$000 Omitted)

	FY 1974	FY 1975	FY 1976	FY 1977	FY 1978	FY 1979	FY 1980	FY 1981	FY 1982	FY 1983
Property Tax Collections Under HB 59	\$ 4574.0	\$22055.9	\$40853.1	\$59947.6	\$69211.1	\$70000.0	\$70000.0	\$70000.0	\$70000.0	\$70000.0
Less: Shared to Local Governments (see below)	556.6	1653.8	3063.1	4494.8	5189.2	5248.4	5248.4	5248.4	5248.4	5248.4
Net Revenues to State Treasury	\$ 4017.4	\$20402.1	\$37779.0	\$55452.8	\$64021.9	\$64751.6	\$64751.6	\$64751.6	\$64751.6	\$64751.6
Local Governments' Share of Property Tax:										
North Slope Borough	\$ 122.2	\$ 734.7	\$ 1360.8	\$ 1996.8	\$ 2305.3	\$ 2331.6	\$ 2331.6	\$ 2331.6	\$ 2331.6	\$ 2331.6
North Star Borough	162.8	267.6	495.6	727.3	839.6	849.2	849.2	849.2	849.2	849.2
City of Valdez	271.6	651.5	1206.7	1770.7	2044.3	2067.6	2067.6	2067.6	2067.6	2067.6
Total Shared Revenues	\$ 556.6	\$ 1653.8	\$ 3063.1	\$ 4494.8	\$ 5189.2	\$ 5248.4	\$ 5248.2	\$ 5248.4	\$ 5248.4	\$ 5248.4