

COMMITTEE REPORT

SENATE

5/23/76

5/27/76

Date

Mr. President:

The Committee on Finance has had HB 597 rate of levy for oil & gas reserves ad valorem tax in 1977 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 \_\_\_\_\_ and that CS for \_\_\_\_\_ do pass
- (and) recommends it be referred to the \_\_\_\_\_ committee
- reports it back without recommendation
- AND attaches a report of its intent
- (other) \_\_\_\_\_

MEMBERS SIGNING THE MAJORITY REPORT:

Bill Ray R. Polard

John Burtch

Gene Chance

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

\_\_\_\_\_ recommends: No Rec

\_\_\_\_\_ recommends: \_\_\_\_\_

\_\_\_\_\_ recommends: \_\_\_\_\_

Bill Ray  
Chairman

# STATE OF ALASKA

## DEPARTMENT OF REVENUE

JAY S. HAMMOND, GOVERNOR

OFFICE OF THE COMMISSIONER

POUCH S - JUNEAU 99811

May 24, 1976

The Honorable Bill Ray  
Chairman  
Senate Finance Committee  
Alaska State Legislature  
State Capitol Building  
Juneau, Alaska

Re: House Bill No. 597

Dear Senator Ray:

House Bill No. 597, an Act relating to the rate of levy for the oil and gas reserves ad valorem tax, was introduced in the Senate on May 23, 1976 and was referred to the Senate Finance Committee.

For the consideration of the Senate Finance Committee, I am enclosing a copy of a memorandum prepared by Mr. Frederick Boetsch, Deputy Commissioner, Department of Revenue along with a copy of a Fiscal Note prepared by the same writer, advising of effect on revenues and of no additional costs of administration concerning the proposed legislation.

If you or any members of the Senate Finance Committee have any questions on the material submitted, please telephone the writer at 465-2397 and I will contact Mr. Boetsch for further information or testimony at a hearing.

Very truly yours,



R. D. Stevenson  
Special Assistant

cc: Sterling Gallagher  
Commissioner of Revenue

Frederick Boetsch  
Deputy Commissioner  
Department of Revenue



"1776-A TRIBUTE FROM OUR STATE TO OUR NATION-1976"



MEMORANDUM


State of Alaska

TO: Sterling Gallagher  
Commissioner  
Department of Revenue

DATE: January 12, 1976

FILE NO:

TELEPHONE NO:

FROM: Frederick P. Boetsch   
Deputy Commissioner, Taxation  
Department of Revenue

SUBJECT: Governor's Bill Setting  
Millage Rate and AS 43.58  
at 20 mils for 1977

This bill provides for the millage rate to be applied to property taxed under AS 43.58, valued as of January 1, 1977. Based on the judgments used in preparing original estimates on this bill, the setting of a 20 mil rate will generate \$253 million in fiscal 1977 for the General Fund.

cc: Tom Williams, Director  
Petroleum Revenue Division

THE LEGISLATURE OF THE STATE OF ALASKA  
FISCAL NOTE  
 Second Session - Ninth Legislature

I. REQUEST

Bill No. House Bill No. 597  
 Title: Rate of levy for the oil and gas reserves ad valorem tax in 1977  
 Requested by: House Finance Committee Date: 1/20/76  
 Return Date Requested: As soon as possible  
 Agency: Revenue Program: Petroleum Revenue

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Petroleum Revenue

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	None	None	None	None	None	None

B. FUNDING: (Thousands of dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY | / | / | / | / | / | /

Introduced: 1/16/76  
Referred: Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 597

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the rate of levy for the oil and  
7 gas reserves ad valorem tax in 1977; and providing  
8 for an effective date.

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20 \* Sec. 2. This Act takes effect immediately in accordance with AS 01.-  
21 10.070(c).

# STATE OF ALASKA

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"1776-A TRIBUTE FROM OUR STATE TO OUR NATION-1976"



# MEMORANDUM

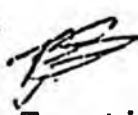
# State of Alaska

TO: Sterling Gallagher  
Commissioner  
Department of Revenue

DATE: January 12, 1976

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Deputy Commissioner, Taxation  
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SUBJECT: Governor's Bill Setting  
Millage Rate and AS 43.58  
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cc: Tom Williams, Director  
Petroleum Revenue Division

JAN 16 1976

HB 597

The Honorable Mike Bradner  
Speaker of the House  
Alaska State Legislature  
Juneau, Alaska 99811

Dear Mr. Speaker:

In accordance with AS 24.30.060(b) and the Uniform Rules of the Alaska State Legislature, I am transmitting a bill establishing a 20 mil rate of levy for the oil and gas reserves ad valorem tax (reserve tax) in 1977.

I am asking that the mil rate for 1977 be set this year because our revenue and budget forecasts indicate that we will need the revenues from the oil and gas reserves ad valorem tax during the next fiscal year. By setting the mil rate this year instead of next year it will allow the State to more easily borrow in anticipation of these tax revenues earlier in the fiscal year if the need arises.

Last year I stated that this temporary property tax should be tailored to raise only the amount of revenue that we need. Accordingly, if during this session or next year I find that 20 mills is not appropriate, I will ask that the legislature change the rate to one which will fit our financial situation. I am asking that you set the mil rate now at 20 mills so that it will establish an identifiable tax measure for 1977 which may be borrowed against if necessary.

Sincerely,

Jay S. Hammond  
Governor

THE LEGISLATURE OF THE STATE OF ALASKA  
FISCAL NOTE  
 Second Session - Ninth Legislature

I. REQUEST

Bill No. House Bill No. 597  
 Title: Rate of levy for the oil and gas reserves ad valorem tax in 1977  
 Requested by: House Finance Committee Date: 1/20/76  
 Return Date Requested: As soon as possible  
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II. FISCAL DETAIL

Budget Request Unit(s) Affected: Petroleum Revenue

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
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700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>	None	None	None	None	None	None

B. FUNDING: (Thousands of dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

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

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

N/A

IV. ATTACHMENTS

See memorandum dated January 12, 1976 from Frederick P. Boetsch, Deputy Commissioner to Sterling Gallagher, Commissioner of Revenue

V. DATE: January 29, 1976 PREPARED BY: *Frederick P. Boetsch*

DEPUTY COMMISSIONER, TAXATION

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

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Sincerely,

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Introduced: 1/16/76  
Referred: Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO.597

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the rate of levy for the oil and  
7 gas reserves ad valorem tax in 1977; and providing  
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21 10.070(c).

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"An Act relating to the rate of levy for the oil and gas reserves ad valorem tax in 1977; and providing for an effective date."

# COMMITTEE REPORT

1/16/76

HOUSE

Mr. Speaker:

Date 4-8-76

The Committee on FINANCE has had HB 597

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 \_\_\_\_\_ AND THAT

CS FOR \_\_\_\_\_ DO PASS

"and" recommends it BE REFERRED TO THE \_\_\_\_\_  
COMMITTEE

reports it back WITHOUT RECOMMENDATION

"other"

Members signing the Majority report:

<u>[Signature]</u>	<u>[Signature]</u>	_____
<u>[Signature]</u>	<u>[Signature]</u>	_____
<u>[Signature]</u>	<u>[Signature]</u>	_____
<u>[Signature]</u>	<u>[Signature]</u>	_____

Members NOT concurring in the Majority report:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

[Signature] Chairman

Introduced: 1/16/76  
Referred: Finance

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

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Committee Copy



THE LEGISLATURE OF THE STATE OF ALASKA  
FISCAL NOTE  
 Second Session - Ninth Legislature

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MAN MONTHS (P./T.)	/	/	/	/	/	/

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IV. ATTACHMENTS

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V. DATE: January 29, 1976 PREPARED BY:

*Frederick P. Boetsch*  
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Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

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