

Introduced: 4/1/81
Referred: Special Gas Pipeline
Committee and Finance

1 IN THE HOUSE

BY HAYES, MEEKINS AND
MONTGOMERY

2 HOUSE BILL NO. 454

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act exempting certain communications facilities
7 from the oil and gas exploration, production and
8 pipeline transportation property tax; and providing
9 for an effective date."

10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

11 * Section 1. AS 43.56.210(6)(A)(iii) is amended to read:

12 (iii) roads, tank farms, tanker terminals, docks and
13 other port facilities, and air strips [AND COMMUNICATION
14 EQUIPMENT AND FACILITIES];

15 * Sec. 2. AS 43.56.210(6)(A) is amended by adding a new subparagraph to
16 read:

17 (vi) communications facilities owned by a person
18 whose principal business in the state is the exploration for,
19 production of, or pipeline transportation of gas or unrefined
20 oil and whose operation of the communications facilities
21 directly relates to the conduct of that business;

22 * Sec. 3. AS 43.56.210(6)(B) is amended by adding a new subparagraph to
23 read:

24 (v) communications facilities, except communica-
25 tions facilities taxable under (A)(vi) of this paragraph;

26 * Sec. 4. This Act is retroactive to January 1, 1974.

27 * Sec. 5. This Act takes effect immediately in accordance with AS 01.10.-
28 070(c).

29

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

HB 454

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 454
Title Exemption of Communication Equipment from Property Tax
Requested by House Special Gas Pipeline Committee Date April 3, 1981

II. FISCAL DETAIL

Agency Affected _____ Revenue _____
Program Category Affected General Government
BRU, Program, or Subprogram(s) Affected Petroleum Revenue

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

FISCAL IMPACT

| | FY 81 | FY 82 | FY 83 | FY 84 | FY 85 | FY 86 |
|--------------------------|-------|-------|-------|-------|-------|-------|
| 100 PERSONAL SERVICES | | | | | | |
| 200 TRAVEL | | | | | | |
| 300 CONTRACTUAL | | | | | | |
| 400 COMMODITIES | | | | | | |
| 500 EQUIPMENT | | | | | | |
| 600 LAND & STRUCTURES | | | | | | |
| 700 GRANTS, CLAIMS, ETC. | | | | | | |

TOTAL

FUNDING (Thousands of Dollars)

| | | | | | | |
|-----------------------------|---------|-------|-------|-------|-------|-------|
| GENERAL FUND | (1,172) | (531) | (495) | (495) | (423) | (386) |
| FEDERAL FUNDS | | | | | | |
| OTHER (Specify Fund Source) | | | | | | |

POSITIONS

| | | | | | | |
|-----------|--|--|--|--|--|--|
| FULL TIME | | | | | | |
| PART TIME | | | | | | |
| TEMPORARY | | | | | | |

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

The lost revenue represents what the state would have obtained if the property exempted under this bill is taxed under AS 43.56. The lost revenue constitutes 2% of assessed value of the property less that amount (about 16%) which is credited for municipal levies. Municipalities could tax the exempted property under local law. The FY81 figure represents taxes foregone for tax years 1980 and 1981, and assumes that taxability of the property in question is upheld in an appeal to the courts.

IV. DATE 4/3/81 PREPARED BY [Signature]
AGENCY REVENUE
PHONE 276-1363
Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

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 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

ADMINISTRATIVE IMPACT

| | FY 81 | FY 82 | FY 83 | FY 84 | FY 85 | FY 86 |
|--------------------------|-------|-------|-------|-------|-------|-------|
| 100 PERSONAL SERVICES | | | | | | |
| 200 TRAVEL | | | | | | |
| 300 CONTRACTUAL | | | | | | |
| 400 COMMODITIES | | | | | | |
| 500 EQUIPMENT | | | | | | |
| 600 LAND & STRUCTURES | | | | | | |
| 700 GRANTS, CLAIMS, ETC. | | | | | | |
| TOTAL | 0 | 0 | 0 | 0 | 0 | 0 |

FUNDING (Thousands of Dollars)

| | | | | | | |
|-----------------------------|--|--|--|--|--|--|
| GENERAL FUND | | | | | | |
| FEDERAL FUNDS | | | | | | |
| OTHER (Specify Fund Source) | | | | | | |
| | | | | | | |

POSITIONS

| | | | | | | |
|-----------|---|---|---|---|---|---|
| FULL TIME | 0 | 0 | 0 | 0 | 0 | 0 |
| PART TIME | | | | | | |
| TEMPORARY | | | | | | |

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

There would be no administrative or program impact on Petroleum Revenue through enactment of this bill

IV. DATE 4/3/81 PREPARED BY [Signature]
 AGENCY Revenue
 PHONE 276-1363
 Original: Legislative Finance
 cc: Budget and Management
Prime Sponsor (First Legislator Named)

COMMITTEE REPORT

HOUSE

6/20/81

FURTHER:

(9)

Date: _____

Mr. Speaker: (Special Gas Pipeline referral waived 6/19)

The Committee on FINANCE has had HB 454

"An Act exempting certain communications facilities from the oil and gas exploration, production and pipeline transportation tax; and providing for an effective date."

under consideration and reports it back as follows:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for _____ same title
 new title
- and recommends _____
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

Introduced: 4/1/81
Referred: Special Gas Pipeline
Committee and Finance

BY HAYES, MEEKINS AND
MONTGOMERY AND MEEKINS

1 IN THE HOUSE

2 HOUSE BILL NO. 454

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4 TWELFTH LEGISLATURE - FIRST SESSION

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28 070(c).

29 COMMITTEE COPY

ALASKA STATE LEGISLATURE

TWELFTH Legislature FIRST... Session

HOUSE ... BILL NO. 454...

By ... HAYES, MEEKINS AND
MONTGOMERY

"An Act exempting certain communications facilities from the oil and gas exploration, production and pipeline transportation property tax; and providing for an effective date."

Exempt communications facilities from property tax

Introduced in the House . . 4/1, 1981.

HISTORY IN THE HOUSE

| | | |
|--------------------------|----|--|
| 19 | 81 | Read first time and referred to Committee on Special Gas Pipeline and Finance Reported back with recommendation that |
| Apr | 1 | |
| | | Read second time and |
| | | Read third time and |
| | | PASS Effective Date Yeas Yeas Nays Nays Absent Absent Excused Excused |
| | | Reconsideration PASS Effective Date Yeas Yeas Nays Nays Absent Absent Excused Excused Reported correctly engrossed Signed by Speaker Sent to Senate |
| CHIEF CLERK OF THE HOUSE | | |

HISTORY IN THE SENATE

| | | |
|-------------------------|--|---|
| 19 | | Read first time and referred to Committee on |
| | | Reported back with recommendation that |
| | | Read second time and |
| | | Read third time and |
| | | PASS Effective Date Yeas Yeas Nays Nays Absent Absent Excused Excused |
| | | Reconsideration PASS Effective Date Yeas Yeas Nays Nays Absent Absent Excused Excused Reported correctly engrossed Signed by President Returned to House |
| SECRETARY OF THE SENATE | | |

HISTORY IN THE HOUSE

| | | |
|----|--|--|
| 19 | | Received from Senate |
| | | Concurred in Senate amendment thus adopting: VOTE |
| | | Failed to concur in Senate amendment; asked Senate to recede VOTE |
| | | Senate receded from amendment VOTE |
| | | Senate failed to recede from amendment VOTE |
| | | CC appointed by House |
| | | CC appointed by Senate |
| | | CC adopted by House VOTE |
| | | CC adopted by Senate VOTE |
| | | To enrolling Reported correctly enrolled Sent to Governor by Governor |
| | | Filed with Lt. Governor |
| | | Chapter No. |

STATE OF ALASKA

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, GOVERNOR

POUCH 5
JUNEAU, ALASKA 99811

April 7, 1981

The Honorable Terry Gardiner
Chairman
House Special Gas Pipeline Committee
Room 118 - Capitol Building
Juneau, Alaska

Dear Mr. Gardiner:

Re: House Bill No. 454

House Bill No. 454, an Act exempting certain communications facilities from the oil and gas exploration, production and pipeline transportation property tax, was introduced in the House on April 1, 1981 and was referred to the House Special Gas Pipeline and Finance Committees.

For the consideration of the House Special Gas Pipeline Committee, I am enclosing copies of Fiscal Notes prepared by Mr. Robert M. Johnson, Director, Petroleum Revenue Division, Department of Revenue, Anchorage concerning the proposed legislation.

Sincerely,



R. D. Stevenson
Special Assistant

RDS/rdh

cc: The Honorable Samuel R. Cotten
Chairman
House Finance Committee

Joseph K. Donohue
Deputy Commissioner
Department of Revenue

Robert M. Johnson, Director
Petroleum Revenue Division
Department of Revenue

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

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Program Category Affected General Government
BRU, Program, or Subprogram(s) Affected Petroleum Revenue
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EXPENDITURES (Thousands of Dollars)

FISCAL IMPACT

| | FY 81 | FY 82 | FY 83 | FY 84 | FY 85 | FY 86 |
|--------------------------|-------|-------|-------|-------|-------|-------|
| 100 PERSONAL SERVICES | | | | | | |
| 200 TRAVEL | | | | | | |
| 300 CONTRACTUAL | | | | | | |
| 400 COMMODITIES | | | | | | |
| 500 EQUIPMENT | | | | | | |
| 600 LAND & STRUCTURES | | | | | | |
| 700 GRANTS, CLAIMS, ETC. | | | | | | |

TOTAL

FUNDING (Thousands of Dollars)

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|-----------------------------|---------|-------|-------|-------|-------|-------|
| GENERAL FUND | (1,172) | (531) | (495) | (495) | (423) | (386) |
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POSITIONS

| | | | | | | |
|-----------|--|--|--|--|--|--|
| FULL TIME | | | | | | |
| PART TIME | | | | | | |
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III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

The lost revenue represents what the state would have obtained if the property exempted under this bill is taxed under AS 43.56. The lost revenue constitutes 2% of assessed value of the property less that amount (about 16%) which is credited for municipal levies. Municipalities could tax the exempted property under local law. The FY81 figure represents taxes foregone for tax years 1980 and 1981, and assumes that taxability of the property in question is upheld in an appeal to the courts.

IV. DATE 4/3/81 PREPARED BY [Signature]
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| 600 LAND & STRUCTURES | | | | | | |
| 700 GRANTS, CLAIMS, ETC. | | | | | | |
| TOTAL | 0 | 0 | 0 | 0 | 0 | 0 |

FUNDING (Thousands of Dollars)

| | | | | | | |
|-----------------------------|--|--|--|--|--|--|
| GENERAL FUND | | | | | | |
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POSITIONS

| | | | | | | |
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| FULL TIME | 0 | 0 | 0 | 0 | 0 | 0 |
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