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# STATE OF ALASKA

## DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, GOVERNOR

PO BOX 5  
JUNEAU, ALASKA 99811  
PHONE: (907) 465-2300

March 8, 1982

The Honorable Terry Martin  
Chairman  
House Labor and Commerce Committee  
Room 211 - Behrends Building  
Juneau, Alaska

Dear Mr. Martin:

Re: House Bill No. 642

House Bill No. 642, an Act establishing the Alaska natural resource trust, was introduced in the House on January 11, 1982 and has been referred to the House Labor and Commerce; Judiciary and Finance Committees.

On February 24, 1982, copies of Fiscal Notes prepared by Mr. Anselm Staack, Comptroller, Treasury Division, Department of Revenue concerning the proposed legislation were transmitted to the House Labor and Commerce Committee.

For the further consideration on the House Labor and Commerce Committee, I am enclosing copies of Fiscal Notes prepared by Mr. Phillip A. Wall representing administrative costs of the Public Services and Administrative Service Division of the Department of Revenue.

Sincerely,

R. D. Stevenson  
Special Assistant

Enclosures

cc: The Honorable Ramona L. Barnes  
Chairwoman  
House Judiciary Committee

Anselm Staack  
Treasury Comptroller  
Department of Revenue

The Honorable Albert P. Adams  
Chairman  
House Finance Committee

Phillip A. Wall, Director  
Public Services Division  
Department of Revenue

Joseph K. Donohue  
Deputy Commissioner  
Department of Revenue

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 642  
 Title Establishing the Alaskan Natural Resources Trust  
 Requested by House Resources Committee Date 3/4/82

II. FISCAL DETAIL

Agency Affected Revenue  
 Program Category Affected General Government  
 BRU, Program, Or Subprogram(s) Affected Admin. & Support, Admin Services  
 (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)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES		22.5	283.2	172.8	184.9	197.8
200 TRAVEL						
300 CONTRACTUAL			1,744.1	1,583.5	1,694.4	1,813.0
400 COMMODITIES			4.0	4.3	4.6	4.9
500 EQUIPMENT				125.0		
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>		22.5	2,031.3	1,885.6	1,883.9	2,015.7

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Source)						
Natural Resources Trust		22.5	2,031.3	1,885.6	1,883.9	2,015.7

POSITIONS

FULL TIME		1/6mm	6/72mm	5/60mm	5/60mm	5/60mm
PART TIME			8/48mm	2/12mm	2/12mm	2/12mm
TEMPORARY						

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

See attached.

HJR81 establishes Natural Resource Trust.

IV. DATE 3/4/82 PREPARED BY *Wall* P. A. Wall  
 AGENCY Revenue  
 PHONE 465-2313  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)  
 33-001 (Rev. 12/81)

ANALYSIS

HB 642

HB 642 establishes the Alaska Natural Resources Trust. This Fiscal Note presents the Administrative costs related to the creation of ownership certificates in the Trust, the distribution of the certificates and cash, and related activity.

Assumptions: 420,000 ownership certificates will be created  
year application period beginning January, 1984. 126,000,  
miscellaneous transactions (address changes, transfers,  
etc.) per year  
Quarterly distribution of cash and reports  
Annual Report distribution  
525,000 application forms  
Quarterly Report mailed with Quarterly distribution, IRS  
1099 data on the 4th quarter distribution.

Program Summary:

Design and distribute application forms and instructions with 90 days of eligibility date. Design and implement quarterly computer assisted application processing. Design Certificate of Beneficial Interest form and miscellaneous transaction forms. Design and implement quarterly processing. Assist applicants through phone, letters and field services in applying for ownership certificates. Opening of mail, batching, data capture and computer processing of applications. Quarterly distribution of cash and application of garnishments and other attachments. Preparation and distribution of Quarterly and Annual Reports.

1. Positions:

FY83

1 PFT Systems Analyst R18 @ \$2838 mo.  
plus .32% costs for 6 mos. = 22.5

Begin design of processing and computer  
assisted procedures \_\_\_\_\_

Total FY83 Positions: = 22.5

FY84

1 PPT Clerk Typist R8 @ \$1487 mo plus  
.32% costs for 9 mos. = 17.7

Provide clerical support for Personnel Section.  
Typing, filing, working of eligible registers,  
arranging interviews, miscellaneous personnel  
duties.

1 PFT Systems Analyst R18 @ \$2838 mo plus  
.32 % costs = 45.0

Complete processing and computer program  
designs. Develop coding specifications

2 PPT EDP Programmers R17 @ \$2639 mo plus  
.32 % costs. for 9 mos. = 62.7

Code, compile, and test computer programs.

5 PFT Tax Scanners R8 @ \$1487 mo. plus  
.32 % costs = 117.8

Mail opening, document control numbering  
batching, batch control, data capture,  
batch correction, forms distribution.

3 PPT Tax Scanners R8 @ \$1487 mo. plus  
.32% costs for 3 mos. = 17.7

Deadline peak mail opening, document control  
numbering, batching, batch control, data capture,  
batch correction.

2 PPT Clerk Typist R7 @ \$1408 mo plus  
.32% costs, 6 mos each = 22.3

Assisting in response to phone and mail forms,  
requests, accounts payable, voucher preparation,  
filing, copying and miscellaneous clerical duties.

Total FY84 Positions: = 283.2

FY85

1 PFT Systems Analyst R18 @ \$3036 mo plus  
.32% costs. = 48.1

Maintain trust procedures and computer programs  
and modify as required

4 PFT Tax Scanners R8 @ \$1591 mo plus  
.32 % costs = 100.8

Mail opening of miscellenous transactions,  
document numbering, batching, batch control,  
data capture, batch correction, warrant batch  
control, pulling and control of attached warrants,  
warrant release.

2 PPT clerk typist R7 @ \$1506 mo plus  
.32% costs, 6 mos each. = 23.9

Assist in response to phone and mail inquiries,  
accounts payable, voucher preparation, filing,  
copying, quarterly and annual report preparation.

Total FY85 positions: 172.8

## 2. Other Expenditures:

FY84

Forms -

Miscellaneous Forms - 126,000 @ \$35M	=	4.4
Applications and Instructions - 550,000 @ \$50M	=	27.5
Ownership certificates:		
Initial issue -420,000 @ \$80M	=	33.6
Transfers and reissues - 50,000 @ \$80M	=	4.0
Warrant stock with Quarterly Report Provision - 1,680,000 @ \$75M	=	126.0
Envelopes -		
Ownership certificates - 470,000 @ \$20M	=	9.4
Warrant - 1,680,000 @ \$15M	=	25.2
Annual Report - 420,000 @ \$20M	=	8.4
Postage -		
Forms distributing - 420,000 @ .20 each	=	90.0
Ownership certificates - 470,000 @ .20 each	=	94.0
Correspondence - 10,000 @ 20 each	=	2.0
Warrants - 1,680,000 @ .20 each	=	336.0
Annual Report - 420,000 @ .56 each	=	235.2
Printing of Annual Report - 500,000 @ .40 each	=	200.0
Data Processing (includes development, data capture and production):		
Computer Resource Units: 221,000 @ 1.25 per unit	=	276.3
Common Output Units: 4,200 @ \$31 (reports, warrants, COM)	=	130.2
Storage Units: Trust File - 11,000 @ .90 - Disk	=	9.9
Misc including garnishments - 1,200 @ .90 Disk	=	1.1
Backup File - Tape	=	.2
Terminals:		
Data Capture CRT's, 4 @ \$3,900 each	=	15.6
Data Management CRT's, 4 @ \$4,600 ea.	=	18.4
Printer - 1 @ \$7,026	=	7.0
Controller -1 @ \$4,679	=	4.7
Professional Services - Annual Audit	=	75.0
Miscellaneous contractual (insurance, transportation, of things, etc.)	=	10.0
Total FY84 contractual:	=	1,744.1
Commodities -	=	4.0
Total FY84 Commodities	=	4.0

FY85

Forms -	
Miscellaneous transaction forms - 126,000 @ \$37.50	= 5.1
Ownership Certificates - Transfers and Reissues 50,000 @ \$85.60M	= 4.3
Warrants - 1,680,000 @ \$80.30M	= 134.9
Envelopes -	
Ownership Certificates - 50,000 @ \$21.40M	= 1.1
Warrants - 1,680,000 @ \$16.05M	= 27.0
Annual Report - 420,000 @ \$21.40M	= 9.0
Postage -	
Forms Distribution - 50,000 @ .25 each	= 12.5
Ownership Certificates - 50,000 @ .25 each	= 12.5
Correspondence - 10,000 @ .25 each	= 2.5
Warrants - 1,680,000 @ .25 each	= 420.0
Annual Report - 420,000 @ .65 each	= 273.0
Printing of Annual Report - 420,000 @ .65 each	= 215.0
Data Processing (includes development, data capture and production)	
Computer Resource Units: 175,000 @ 1.25 per unit	= 218.8
Common Output Units: 3,900 @ 31 (reports, warrants and COM)	= 120.9
Storage Units: Trust File - 8,500 @ .90 - Disk	= 7.7
Misc. including garnishments - 2,5000 @ .90 - Disk	= 2.3
Backup File - Tape	= .2
Terminals: Data Capture - 2 CRT's @ \$4,173	= 8.3
Data Management - 1 CRT @ \$4,922	= 4.9
Printer - 1 @ \$7,518	= 7.5
Controller - 1 @ \$5,006	= 5.0
Professional Services - Annual Audit	= 80.3
Miscellaneous Contractual	= 10.7
Total FY 85 Contractual:	<u>1,583.5</u>
Commodities	= 4.3
Total FY 58 Contractual:	= 4.3
Equipment - Microfilm System	= 125.0
Total FY 85 Equipment	= 125.0

FY83

6 PPT Clerk typist R8 @ \$1487 mo each  
.32% costs, 6 mos.each = 70.7

Assist applicants at field counter locations  
and in the field as required.

Total FY83 Positions: = 70.7

FY84

6PPT clerk typists R8 @ \$1,591 mo plus  
.32 costs, 9 mos each = 113.4

Application, transfer and miscellaneous  
application assistance at field counters and  
in the field as required.

Total FY 84 Positions: = 113.4

FY85

3 PFT Clerk Typists R8 @ \$1,702 mo plus  
.32 costs = 80.9

Transfer and miscellaneous application  
assistance at Field Counters.

Total FY85 Positions = 80.9

## 2. Other Expenditures:

FY83

Toll calls including Zeith calls = 25.0  
Contracts providing applicant assistance = 50.0  
Advertising in papers, on TV, and radio = 20.0

Total FY83 Contractual 95.0

Travel to provide application assistance = 35.0

Total FY83 Travel = 35.0

FY84

Toll calls including Zenith calls	=	35.0
Contracts providing applicant assistance	=	75.0
Advertising in papers, on TV and radio	=	<u>35.0</u>
Total FY84 Contractual	=	145.0

FY85

Toll calls including Zenith calls	=	10.0
Advertising	=	<u>5.0</u>
Total FY 85 Contractual	=	15.0

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 642

Title Establishes the Alaska Natural Resource Trust

Requested by House Resource Committee Date 3/4/82

II. FISCAL DETAIL

Agency Affected \_\_\_\_\_ Revenue \_\_\_\_\_

Program Category Affected General Government

BRU, Program, Or Subprogram(s) Affected Public Services

(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)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES		70.7	113.4	30.9	86.6	92.6
200 TRAVEL		35.0	50.0			
300 CONTRACTUAL		95.0	145.0	15.0	16.1	17.2
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		200.7	308.4	95.9	102.7	109.8

FUNDING (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Source)						
Natural Resource Trust		200.7	308.4	95.9	102.7	109.8

POSITIONS

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
FULL TIME				3/36mm	3/36mm	3/36mm
PART TIME		6/36mm	6/54mm			
TEMPORARY						

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

See Attached.

IV. DATE 3/4/82

PREPARED BY P. A. Wall

AGENCY Revenue

Original: Legislative Finance

PHONE 465-2313

cc: Budget and Management

Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/81)

HJR81 establishes the Natural Resources Trust  
See Administrative Services Fiscal Note for Analysis and Assumptions.

Program Summary:

Provide Ownership Certificate application assistance beginning January, 1983 and continuing through December, 1983. Answer phone, letter and in-person requests for information and assistance. Provide assistance to applicants in remote areas through contractual agents and travel. Distribute forms and instructions. Advise applicants as to the purpose of the program and where assistance is available through newspapers, TV and radio.

# STATE OF ALASKA

## DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, GOVERNOR

POJCH 5  
JUNEAU, ALASKA 99811  
PHONE: (907) 465-2300

February 24, 1982

The Honorable Terry Martin  
Chairman  
House Labor and Commerce Committee  
Room 211 - Behrends Building  
Juneau, Alaska

Dear Mr. Martin:

Re: House Bill No. 642

House Bill No. 642, an Act establishing the Alaska natural resource trust, was introduced in the House on January 11, 1982 and has been referred to the House Labor and Commerce; Judiciary and Finance Committees.

For the consideration of the House Labor and Commerce Committee, I am enclosing copies of Fiscal Notes prepared by Mr. Anselm Staack, Comptroller, Treasury Division, Department of Revenue concerning the proposed legislation.

At a later date, a further Fiscal Note will be submitted by Mr. Phillip A. Wall, Director, Public Services Division, Department of Revenue concerning costs of administration. Mr. Wall is presently on official business in Anchorage and will return to his post of duty in Juneau on March 1, 1982.

Sincerely,

R. D. Stevenson  
Special Assistant

Enclosure

cc: The Honorable Ramona L. Barnes  
Chairwoman  
House Judiciary Committee

The Honorable Albert P. Adams  
Chairman  
House Finance Committee

Joseph K. Donohue  
Deputy Commissioner  
Department of Revenue

Anselm Staack  
Treasury Comptroller  
Department of Revenue

Phillip A. Wall, Director  
Public Services Division  
Department of Revenue

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

HB 642

FISCAL NOTE (1 of 2)

(REVENUE REDUCTION TO  
GENERAL FUND UNRESTRICTED)

I. REQUEST

Bill/Resolution No. HB 642 (1/11/82)  
Title Establish Alaska Natural Resources Trust  
Requested by House Resources Committee Date 2/24/82

II. FISCAL DETAIL

Agency Affected General Fund Unrestricted  
Program Category Affected \_\_\_\_\_  
BRU, Program, Or Subprogram(s) Affected \_\_\_\_\_  
(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)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

→ M I L L I O N S ←  
FUNDING (Thousands of Dollars)

GENERAL FUND			(1,608.8)	(1,906.9)	(2,159.9)	(2,511.1)
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

Legislation establishes an Alaska Natural Resources Trust which is to receive the state's interest in income from natural resources, including royalties, etc., subject to prior amounts dedicated to permanent fund and other previously established claims. Trust to distribute ownership certificates to beneficiaries as defined by the legislation and make dividend payments.

Above revenue estimated for the trust is based upon royalties only, not including severance and conservation taxes that result from natural resources as companion legislation, HJR 31, a constitutional amendment to effect dedication to the trust appears to speak to royalties only and some related amounts but not specifically to taxes. Since the constitutional amendment is necessary to effect transfer of funds to the trust FY 84 is the first year of transfer after election takes place.

SEE OTHER FISCAL NOTES FOR ADMINISTRATIVE COSTS.

*Anselm C. Staack*

IV. DATE February 24, 1982 PREPARED BY Anselm C. Staack, Treasury Comptroller  
AGENCY Dept. of Revenue, Treasury Division

Original: Legislative Finance PHONE 465-2350  
cc: Budget and Management

Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/81)

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

HB 642

(FUND INVESTMENT  
ADMINISTRATIVE COST)

FISCAL NOTE (2 of 2)

I. REQUEST

Bill/Resolution No. HB 642 (1/11/82)

Title Establish Alaska Natural Resources Trust

Requested by House Resources Committee

Date 2/24/82

II. FISCAL DETAIL

Agency Affected Department of Revenue

Program Category Affected Revenue Collection and Management

BRU, Program, Or Subprogram(s) Affected Treasury Management

(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)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES			92.6	101.9	112.1	123.3
200 TRAVEL			10.0	11.0	12.1	13.3
300 CONTRACTUAL			255.0	280.5	308.6	339.4
400 COMMODITIES			3.0	3.3	3.6	4.0
500 EQUIPMENT			6.0			
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL			366.6	396.7	436.4	480.0

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Source)						
Trust Income			366.6	396.7	436.4	480.0

POSITIONS

FULL TIME			2	2	2	2
PART TIME						
TEMPORARY						

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

Legislation creates trust fund managed by Dept. of Revenue. THIS FISCAL NOTE ACCOUNTS FOR ADMINISTRATIVE COSTS RELATED TO THE INVESTMENT OF FUND ASSETS ONLY. SEPARATE FISCAL NOTE TO BE PROVIDED THAT SHOWS ADMINISTRATIVE COSTS RELATED TO OWNERSHIP AND DISTRIBUTION PLAN.

Personal Services is for Investment Officer II (R22,X) to invest and manage assets; Accounting Tech. II (R14,G) for associated trust investment accounting and reporting. Contractual Services: Comm. \$15.0; Print & Adv. \$10.0; Safekeeping and related reporting/accounting \$200.0; Audit \$25.0; Misc. \$5.0. Equipment is for new positions.

*Anselm C. Staack*

IV. DATE February 24, 1982

PREPARED BY Anselm C. Staack, Treasury Comptroller  
AGENCY Dept. of Revenue, Treasury Division

Original: Legislative Finance

PHONE 465-2350

cc: Budget and Management

Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/81)