

SB

158

ALASKA STATE LEGISLATURE



Senator John Torgerson, Chair
Senator Drue Pearce, Vice Chair
Senator Rick Halford
Senator Pete Kelly
Senator Robin Taylor
Senator Kim Elton
Senator Georgianna Lincoln

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Sponsor Statement

SB 158

Preparation of an Export Report on State Participation in a Gas Pipeline Project

Commercialization of North Slope natural gas has been one of the legislature's priorities. Potential benefits of commercialization include short and long-term employment, additional state and municipal revenues, opportunities for new industries, and cheap, clean energy for the state. This bill would direct the Commissioner of the Department of Revenue to retain a financial expert to examine whether the state should participate in either ownership or financing of a natural gas pipeline project. The expert would examine any benefit or detriment to a project caused by the state's participation. In the past, the state has retained financial experts to advise it on the possibility of the state participating in a project. Those reports need to be updated.

The bill would ensure that the legislature participates in the preparation of the report by:

- (1) requiring that the chairs of the Senate and House Resources Committees periodically meet with the expert to review data and information about the report; and
- (2) requiring that the commissioner provide progress reports to the chairs every 60 days. The bill would require the commissioner to prepare a comprehensive report, with recommendations, addressing the state's options by January 31, 2002 and submit it to the legislature and the governor.

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Sectional Analysis

SB 158

"Report: State Participation in Natural Gas Pipeline"

Section 1 - directs the commissioner of the Department of Revenue to retain a financial expert to examine whether the state should participate in either ownership or financing of a natural gas pipeline project and, if so, how the state should participate. The expert would examine any benefit or detriment to a project caused by the state's participation. The legislature will participate in the preparation of the report through the requirements that: (1) the chairs of Senate and House Resource Committees periodically meet with the expert to review data and information about the report; and (2) the commissioner provide progress reports to the chairs every 60 days. The commissioner must prepare a comprehensive report, with recommendations, addressing the state's options by January 31, 2002 and submit it to the legislature and the governor.

FISCAL NOTE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: SB 158
 (S) Publish Date: 3/29/01

Revision Date/Time (Note if correction): _____ Dept. Affected: Revenue
 Title: State Participation in Natural Gas Pipeline BRU: Administration & Support
 Component: Commissioner's Office
 Sponsor: Senate Resources Committee
 Requester: Senate Resources Committee Component Number: 123

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services						
Travel	15.0					
Contractual	200.0					
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	215.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	215.0					
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	215.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2001) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2002 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This legislation directs the commissioner of Revenue to report to the governor and the legislature no later than Jan. 31, 2002, on the "options for the state to participate in the commercial development of the state's natural gas resources through ownership of or provision of financing for a gas pipeline project." The legislation sets out a comprehensive list of questions to be answered in the report and directs the commissioner to contract with suitable, qualified firms to perform the work.

The commissioner's office would contract with an investment banking firm for its expertise in the financing issues covered by the legislation. The expected cost of the contract is \$200.0, with \$15.0 requested for commissioner's office travel to meet with the contractor and others involved in the report.

Prepared by: Larry Persily, Deputy Commissioner Phone 465-5469
 Division: Department of Revenue Date/Time March 28, 2001, 4 p.m.
 Approved by: Wilson Condon, Commissioner Date 03/28/2001
 Agency: Department of Revenue

For distribution information, call the Governor's Legislative Office

Gen. -

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE GREEN

TO: CSSB 158(RES) am

- 1 Page 3, line ⁹~~16~~, following "chair the":
- 2 Insert "Alaska Legislative Council and the"

Senators only -
don't think Leg. Council
should take lead on
O.G. issues