

LEG. FINANCE - BILLS 1977 - 1978 627

Fiscal Notes cont. 627

TAX ON RESERVES
ADMINISTRATIVE COSTS
March 18, 1975

Contractual support of this administrative function is recommended:

1. Contract with a firm to provide petroleum engineer services, 180 days @ \$250 day	\$45,000
2. Production of reports, graphs, maps and charts	5,000
3. Travel for firm to and from Alaska	5,000
4. Hearings, Transcripts and Testimony preparation	8,000
5. Contract with a firm to provide petroleum legal services	<u>30,000</u>
Total Administrative Costs	<u>\$93,000</u>

The Legislature of the State of Alaska
FISCAL NOTE

First Session - Ninth Legislature

I. REQUEST

Bill No. S.B. 277

Title: Act Creating a telecommunications authority

Requested by: Senator Bill Rav Date: April 8, 1975

Return Date Requested: _____

Agency: Office of Telecommunications Program

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Office of Telecommunications/ Division of communications

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 75	FY 76	FY 77	FY 78	FY 79	FY 80
100 PERSONAL SERVICES		233.2	256.7	282.2	310.4	341.4
200 TRAVEL		24.8	27.3	30.1	33.0	36.3
300 CONTRACTUAL		50.0	24.0	26.4	29.0	31.9
400 COMMODITIES		2.0	2.2	2.4	2.6	2.9
500 EQUIPMENT		12.0	1.2	1.3	1.4	1.5
600 LAND & STRUCTURES		0	0	0	0	0
700 GRANTS, CLAIMS, ETC.		0	0	0	0	0
		0	0	0	0	0
TOTAL		322.0	311.4	342.4	376.4	414.0

B. FUNDING: (Thousands of dollars)

GENERAL FUND		322.0	311.4	342.4	376.4	414.0
FEDERAL FUNDS		0	0	0	0	0
OTHER		0	0	0	0	0

C. POSITIONS:

PERMANENT/TEMPORARY	/	15/	15/	15/	15/	15/
MAN MONTHS (P./T.)	/	180/	180/	180/	180/	180/

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

Expenditure figures are based on a 10% per year inflation rate. List of new positions is attached.

This is an amended fiscal note.

IV. ATTACHMENTS

List of new positions (amended).

V. DATE: April 9, 1975 PREPARED BY: Hilary Hilscher

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

TELECOMMUNICATIONS AUTHORITY--

PERSONAL SERVICES

Executive Director	36,858
Deputy Director	30,656
Secretary I	12,574
Assistant Director (Plans & Policy)	28,476
Assistant Director (Research & Engineering)	28,476
Assistant Director (Communications Economics)	28,476
Administrative Officer III	26,465
Clerk typist	10,761
Clerk typist	10,761
Public Information Officer III	19,711
Total	233,214

COPY COMMITTEE

STATE OF ALASKA

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, Governor

POUCH S—JUNEAU 99801

April 4, 1975

The Honorable Kathryn Poland
Chairman
Senate Resources Committee
Alaska State Legislature
State Capitol
Juneau, Alaska

Re: Senate Bill No. 294

Dear Senator Poland:

Senate Bill No. 294, an Act relating to the Alaska Mineral Severance Tax was introduced on March 21, 1975 and referred to the Senate Resources and Finance Committees.

For the consideration of the Senate Resources Committee, I am enclosing a copy of a memorandum from Frederick P. Boetsch, Deputy Commissioner of the Department of Revenue, which will disclose the projected increases in revenues for the fiscal years 1977 through 1980 and will indicate no additional cost of administration.

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

Very truly yours,

R. D. Stevenson
Special Assistant

cc: The Honorable Bill Ray
Chairman
Senate Finance Committee
Alaska State Legislature

Frederick P. Boetsch
Deputy Commissioner
Department of Revenue

MEMORANDUM

TO: Sterling Gallagher
Commissioner
Department of Revenue

DATE : March 11, 1975

FROM: Frederick P. Boetsch *FPB*
Deputy Commissioner for Taxation
Department of Revenue

SUBJECT: Mineral Severance Tax
Senate Bill 294

A Bill has been introduced which would impose a severance tax on all solid minerals severed in the State. This tax would be a graduated tax based on the value of the mineral at the time of severance. This tax would fall on all producers of hard minerals in the State except those who sever less than one hundred thousand dollars worth of minerals in a year. Due to the graduated nature of this tax, it hits the larger producers more heavily than the smaller producers. This is consistent with good tax policy which is progressive in nature.

The tax would replace the mining license tax which is generally ineffective since it is a tax on net income, does not allow for the tax to go into effect until three and a half years after production, and provides generous percentage depletion allowances. In fact, we find that of some 125 to 200 licensed mining operations in the State, only two or three pay this tax each year. The proposed tax would be easier to administer since it would be based on the value at severance and would undoubtedly bring more of these miners into the taxpaying fold. For years, of course, many minerals have been extracted from the State without the payment of the mining license tax at all.

This bill would tax other non-renewable resources similar to the manner in which we tax the extraction of oil and gas. As with oil and gas, once these other minerals are gone, they can not be replaced. It is, therefore, necessary that a tax be placed directly on the extraction of the minerals themselves. This is particularly true when the mineral is shipped to foreign countries and other taxes may be difficult to impose on the production of these minerals.

The projected revenues from this tax for the FY 77 - 80 are as follows:

Projected Increases in Revenues (\$000 omitted)				
FY 76	FY 77	FY 78	FY 79	FY 80
<u>-0-</u>	<u>3500.0</u>	<u>3500.0</u>	<u>3500.0</u>	<u>3500.0</u>

We see no additional cost involved in administering this tax.

FPB: gd

Introduced: 3/21/75
Referred: Resources and
Finance

1 IN THE SENATE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2

SENATE BILL NO. 294

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

NINTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act relating to the Alaska Mineral Severance Tax;
7 and providing for an effective date."

8

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

9

* Section 1. AS 43 is amended by adding a new chapter to read:

10

CHAPTER 66. ALASKA MINERAL SEVERANCE TAX.

11

Sec. 43.66.010. MINERAL SEVERANCE TAX. There is levied and

12

there shall be collected and paid a tax each calendar year upon every

13

person engaging in the business of severing minerals from the state

14

for commercial use. The tax shall be calculated as a per cent of the

15

value of severable minerals at the point of severance and shall be

16

levied according to the following schedule:

17

over \$100,000, but not over \$200,000 1% of the excess over

18

\$100,000

19

over \$200,000, but not over \$300,000 \$1,000 plus 2% of the

20

excess over \$200,000

21

over \$300,000, but not over \$400,000 \$3,000 plus 3% of the

22

excess over \$300,000

23

over \$400,000, but not over \$500,000 \$6,000 plus 4% of the

24

excess over \$400,000

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over \$500,000 \$10,000 plus 5% of the

26

excess over \$500,000

27

Sec. 43.66.020. VALUE. (a) "Value of severed minerals" means

28

the sales price or true market price of the mineral at the point of

29

severance. If the mineral is exchanged for something other than cash

1 or is not sold but further refined, processed or otherwise retained or
2 if the relation between the buyer and seller is such that the considera-
3 tion paid, if any, is not indicative of the true market price, the
4 true market price shall be determined by the average market price per
5 ton or other measurable unit of the mineral at the point of severance
6 for the year for which the tax is being paid.

7 (b) When there is no market value or evidence of sales of a
8 mineral within the state, the department may, in determining value,
9 use the true market value of a comparable mineral in competition with
10 that mineral or any other method which the department determines
11 reflects the true value of the mineral.

12 (c) All minerals severed in the state shall be included in
13 determining value regardless of the place of sale or the fact that
14 delivery may be made to points outside the state. If any person
15 ships, transmits or transports minerals out of state without selling
16 them or ships, transmits or transports minerals out of state in an
17 unfinished condition, the value of the minerals at the point of sever-
18 ance without deduction of any kind, is the basis for determining
19 value.

20 Sec. 43.66.030. RETURNS AND THE PAYMENT OF TAX. (a) The tax
21 imposed by this chapter for a calendar year is due and payable on or
22 before the following February 28. If the tax is not paid on or before
23 the date it becomes due, it is delinquent.

24 (b) A return for a calendar year shall be filed on or before the
25 following February 28, and shall include the following

- 26 (1) the location of each severance operation;
27 (2) the kind, quality and quantity of the minerals severed;
28 (3) the value of the severed resources at the point of
29 severance;

1 (4) such other information as the department may require.

2 Sec. 43.66.040. LIEN FOR TAX. The tax levied under this chapter
3 and the penalty and interest on the tax are first and paramount liens
4 upon all the real and personal property of the person liable for them.

5 Sec. 43.66.050. REMEDY. The remedy of distraint of property set
6 out in AS 43.20.270 applies to the tax levied by this chapter.

7 Sec. 43.66.060. CIVIL PENALTY. Five per cent shall be added to
8 a tax for each 30 day period or fraction of the period during which
9 the taxpayer fails to file a return or report, or pay the full amount
10 of the tax, or a portion or a deficiency of the tax as finally deter-
11 mined by the department and required by this chapter, unless it is
12 shown that the failure is due to a reasonable cause and not to wilful
13 neglect. The penalty may not exceed 25 per cent in the aggregate.
14 The penalty shall be collected at the same time, in the same manner
15 and as a part of the original tax but if the original tax is paid
16 before the neglect is discovered, the penalty shall be collected in
17 the same manner as the original tax. The department shall prescribe
18 by regulation circumstances which constitute reasonable cause for
19 purposes of this section.

20 Sec. 43.66.070. INTEREST. When a tax levied in this chapter
21 becomes delinquent, it bears interest at the rate of eight per cent a
22 year.

23 Sec. 43.66.080. TAXPAYER REMEDIES. (a) A person aggrieved by
24 the action of the department in fixing the amount of a tax or in
25 imposing a penalty may apply to the department within 60 days from the
26 date of the notice required to be given to him by the department,
27 giving notice of the grievance, and requesting an informal conference.
28 At the conference the person aggrieved may present arguments and
29 evidence relevant to the amount of tax or penalty due the state. If

1 the department determines that a correction is warranted, it shall
2 make the correction.

3 (b) A person aggrieved by the action of the department in fixing
4 the amount of a tax or in imposing a penalty may apply to the department
5 and request a formal hearing

6 (1) within 60 days from the date of the notice required to
7 be given to him by the department; or

8 (2) within 30 days after a decision resulting from an informal
9 conference.

10 (c) At the formal hearing the department may subpoena witnesses
11 and may administer oaths and make inquiries necessary to determine the
12 amount of the tax or penalty due the state. The person aggrieved may
13 present arguments and evidence relevant to the amount of the tax or
14 penalty due the state. If the department determines that a correction
15 is warranted, it shall make the correction.

16 (d) Within 30 days after the formal hearing and decision by the
17 department, a person aggrieved by the decision of the department may
18 appeal to the superior court in the judicial district in which he
19 resides. The taxpayer shall be afforded access to the file of the
20 department in the matter for preparation of his appeal. If after the
21 appeal is heard, it appears that the tax was correct, the court shall
22 confirm the tax. If the tax was incorrect, the court shall determine
23 the amount of the tax and if the person aggrieved is entitled to
24 recover the tax or part of it, the court shall order the repayment,
25 and the department shall immediately pay the amount due and attach a
26 certified copy of the judgment to the payment.

27 Sec. 43.66.090. DEFINITIONS. In this chapter

28 (1) "department" means the Department of Revenue;

29 (2) "mineral" means all solid minerals including but not

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limited to asbestos, gypsum, coal, sulphur, iron ore, lead, zinc, mercury, tin, chromite, borite, copper, gold, silver, platinum, potash, clay, stone, sand, gravel and other valuable metals, ores, minerals and marketable earth and stone but not including oil and gas;

(3) "point of severance" means the point at which the mineral being severed is identifiable as to kind and quality and is capable of being transported for use or further processing.

* Sec. 2. AS 43.65 is repealed.

* Sec. 3. This Act takes effect January 1, 1976.

COPY COMMITTEE
STATE OF ALASKA

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, Governor

POUCH S—JUNEAU 99801

April 4, 1975

The Honorable Kathryn Poland
Chairman
Senate Resources Committee
Alaska State Legislature
State Capitol
Juneau, Alaska 99811

Dear Senator Poland:

re Senate Bill No. 295

Senate Bill No. 295, an Act relating to the oil and gas properties production tax was introduced on March 21, 1975 and referred to the Senate Resources and Finance Committees.

For the consideration of the Senate Resources Committee, I am enclosing a copy of a memorandum from Frederick P. Boetsch, Deputy Commissioner of the Department of Revenue which will disclose the projected increases in revenues for the fiscal years 1976 through 1980 and will indicate no additional cost of administration.

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

Very truly yours,

R. D. Stevenson
Special Assistant

RDS:eh

Enclosures

cc: The Honorable Bill Ray
Chairman
Senate Finance Committee

Frederick P. Boetsch
Deputy Commissioner
Department of Revenue

MEMORANDUM

State of Alaska

TO: Sterling Gallagher
Commissioner of Revenue

DATE: April 2, 1975

FILE NO:

TELEPHONE NO:

FROM: Frederick P. Boetsch
Deputy Commissioner
Department of Revenue

SUBJECT: Proposed Gas Severance Tax
Senate Bill 295

A bill has been introduced which would increase the severance tax on natural gas production from 4% to 10% of the value or 5¢ per thousand cubic feet whichever is higher. This would place the gas severance tax on the same alternative basis as our oil production tax. The main incidence of this tax would fall on oil companies producing gas in the Cook Inlet Area at the present time, the Collier Carbon Chemical plant, the Gas Liquefaction Facility and its customers in Japan, and the residents of the City of Anchorage. At the present time sixteen percent of the gas produced in Cook Inlet either goes to the people of Anchorage, the Chugach Electric Association, or to the City of Kenai. In the future, of course, when gas is being produced from other areas this percentage will decline significantly and most of the tax incidence will fall on out-of-state consumers.

It is interesting to note that 5¢ per MCF equates in terms of equivalent BTU output to the present cents-per-barrel tax at the lower end of the scale.

The projected revenues on this source for FY 76 - 80 are as follows:

Projected Increases in Revenues
(\$000 Omitted)

<u>FY 76</u>	<u>FY 77</u>	<u>FY 78</u>	<u>FY 79</u>	<u>FY 80</u>
<u>4061.0</u>	<u>4670.0</u>	<u>5852.0</u>	<u>6381.0</u>	<u>21,541.0</u>

There are no additional administrative costs in connection with the administration of this tax.

FPB:lw

STATE OF ALASKA

DEPARTMENT OF REVENUE

JAY S. HAMMOND, GOVERNOR

POUCH S A - JUNEAU 99811

April 25, 1975

The Honorable Pat Rodey
Chairman
Senate Community and Regional
Affairs Committee
Alaska State Legislature
Juneau, AK 99811

Dear Senator Rodey:

re Senate Bill No. 298

Senate Bill No. 298, an Act relating to sharing of state revenues with municipalities was introduced in the Senate on March 21, 1975 and was referred to the Senate Community & Regional Affairs and Finance Committees.

While the Department of Community and Regional Affairs is charged with the administration of the provisions of the bill, committee review by the legislature may call for estimates of the "state oil and gas revenues" as defined in Sec. 43.17.090 (3) of the proposed legislation.

For the consideration of the Senate Community & Regional Affairs Committee, I am enclosing a copy of a memorandum dated April 22, 1975 from Gary L. Jenkins, Director, Audit Division, Department of Revenue to Frederick P. Boetsch, Deputy Commissioner, Department of Revenue indicating estimated oil and gas production tax and estimated oil and gas royalty revenues for the fiscal years 1976 through 1980 and the amounts estimated to be shared computed at 25% of the total revenues.

If you or any members of the Senate Community & Regional Affairs Committee have any questions on the material submitted, please telephone the writer at 465-2397 and I will contact Mr. Jenkins for further material or testimony.

Very truly yours,

R. D. Stevenson
Special Assistant

RDS:sp

Enclosures

cc The Honorable Bill Ray
Chairman
Senate Finance Committee

Gary L. Jenkins, Director
Audit Division

MEMORANDUM

State of Alaska

TO: Frederick P. Boutsch
Deputy Commissioner of Taxation
Department of Revenue

DATE: April 22, 1975

FILE NO:

TELEPHONE NO:

FROM: Gary L. Jenkins
Director
Audit Division

SUBJECT: Senate Bill No. 298

Senate Bill 298 provides for additional sharing of revenues with municipalities. Specifically, 25 percent of all oil and gas revenues would be shared under this bill. We have broken this out into the oil and gas severance tax revenues, as well as the royalty revenues and what the 25 percent would amount to for the years 1974 through 1980. This bill also provides for the distribution of any other revenues received by the State for oil and gas products to include lease hold, which, of course, are impossible to predict. A further reading of the definition would appear to be so broad that it would also include the property taxes on oil and gas production equipment, which I feel Mr. Heier would be far more effective in providing a forecast.

If there are any questions regarding the attached figures, I will be glad to answer them.

GLJ/bjm

Attachment

cc: R. D. Stevenson

SENATE BILL 298
 An Act Relating to Sharing State Revenues
 with Municipalities

	<u>Gross Projected Oil and Gas Tax Revenue</u>	<u>Amount to be Shared 25%</u>	<u>Gross Projected Royalties</u>	<u>Amount to be Shared 25%</u>
1974	\$ 14,759,700	\$ 3,689,925	\$ 28,736,000	\$ 7,184,000
1975	29,118,000	7,279,500	40,891,500	10,222,875
1976	29,116,000	7,279,000	42,089,500	10,522,375
1977	29,231,000	7,307,750	45,475,500	11,368,875
1978	179,975,000	44,993,750	233,644,500	18,411,125
1979	394,844,000	98,711,000	495,645,500	123,911,375
1980	<u>476,303,000</u>	<u>119,075,750</u>	<u>608,591,500</u>	<u>152,147,875</u>
	<u>\$1,153,346,700</u>	<u>\$288,336,675</u>	<u>\$1,495,074,000</u>	<u>\$373,768,500</u>

STATE OF ALASKA

DEPARTMENT OF REVENUE

JAY S. HAMMOND, GOVERNOR

POUCH S A - JUNEAU 99811

April 25, 1975

The Honorable Pat Rodey
Chairman
Senate Community and Regional
Affairs Committee
Alaska State Legislature
Juneau, AK 99811

Dear Senator Rodey:

re Senate Bill No. 298

Senate Bill No. 298, an Act relating to sharing of state revenues with municipalities was introduced in the Senate on March 21, 1975 and was referred to the Senate Community & Regional Affairs and Finance Committees.

While the Department of Community and Regional Affairs is charged with the administration of the provisions of the bill, committee review by the legislature may call for estimates of the "state oil and gas revenues" as defined in Sec. 43.17.090 (3) of the proposed legislation.

For the consideration of the Senate Community & Regional Affairs Committee, I am enclosing a copy of a memorandum dated April 22, 1975 from Gary L. Jenkins, Director, Audit Division, Department of Revenue to Frederick P. Boetsch, Deputy Commissioner, Department of Revenue indicating estimated oil and gas production tax and estimated oil and gas royalty revenues for the fiscal years 1976 through 1980 and the amounts estimated to be shared computed at 25% of the total revenues.

If you or any members of the Senate Community & Regional Affairs Committee have any questions on the material submitted, please telephone the writer at 465-2397 and I will contact Mr. Jenkins for further material or testimony.

Very truly yours,

R. D. Stevenson
Special Assistant

RDS:sp

Enclosures

cc The Honorable Bill Ray
Chairman
Senate Finance Committee

Gary L. Jenkins, Director
Audit Division

MEMORANDUM

State of Alaska

TO: Frederick P. Boetsch
Deputy Commissioner of Taxation
Department of Revenue

DATE: April 22, 1975

FILE NO:

TELEPHONE NO:

FROM: Gary L. Jenkins
Director
Audit Division

SUBJECT: Senate Bill No. 298

Senate Bill 298 provides for additional sharing of revenues with municipalities. Specifically, 25 percent of all oil and gas revenues would be shared under this bill. We have broken this out into the oil and gas severance tax revenues, as well as the royalty revenues and what the 25 percent would amount to for the years 1974 through 1980. This bill also provides for the distribution of any other revenues received by the State for oil and gas products to include lease hold, which, of course, are impossible to predict. A further reading of the definition would appear to be so broad that it would also include the property taxes on oil and gas production equipment, which I feel Mr. Heier would be far more effective in providing a forecast.

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1978	179,975,000	44,993,750	233,644,500	18,411,125
1979	394,844,000	98,711,000	495,645,500	123,911,375
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STATE OF ALASKA

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Very truly yours,

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Special Assistant

RDS:sp

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MEMORANDUM

State of Alaska

TO: Frederick P. Boetsch
Deputy Commissioner of Taxation
Department of Revenue

DATE: April 22, 1975

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FROM: Gary L. Jenkins
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JAY S. HAMMOND, GOVERNOR

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Very truly yours,

R. D. Stevenson
Special Assistant

RDS:sp
Enclosures
cc The Honorable Bill Ray
Chairman
Senate Finance Committee

Gary L. Jenkins, Director
Audit Division

MEMORANDUM

State of Alaska

TO: Frederick P. Boetsch
Deputy Commissioner of Taxation
Department of Revenue

DATE: April 22, 1975

FILE NO:

TELEPHONE NO:

FROM: Gary L. Jenkinson
Director
Audit Division

SUBJECT: Senate Bill No. 298

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SENATE BILL 298
 An Act Relating to Sharing State Revenues
 with Municipalities

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STATE OF ALASKA

DEPARTMENT OF REVENUE

JAY S. HAMMOND, GOVERNOR

POUCH 5 A - JUNEAU 99811

April 25, 1975

The Honorable Pat Rodey
Chairman
Senate Community and Regional
Affairs Committee
Alaska State Legislature
Juneau, AK 99811

Dear Senator Rodey:

re Senate Bill No. 298

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Gary L. Jenkins, Director
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STATE OF ALASKA

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Deputy Commissioner of Taxation
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STATE
of ALASKA

MEMORANDUM

TO: J. M. Kerttula, Chairman
Senate Commerce Committee &
Bill Ray, Chairman
Senate Finance Committee

DATE : April 22, 1975

00-3077

FROM: Walter B. Parker *WBP*
Commissioner
Department of Highways

SUBJECT: SB 331

We are quite concerned about SB 331 and its effective elimination of appraisals by in-house appraisers. Specifically, the phrase on line 7 and 8 of page 3, as follows: "Except those employees who are engaged in appraising for public acquisition" should be eliminated from the bill in order that public acquisition of property by the State, and in particular the Department of Highways, is not impeded. We feel that this is a special interest requirement which would effectively require us to use fee appraisers for all parcels to be acquired.

I would appreciate your efforts in attempting to eliminate this particular phrase from the bill.

The Legislature of the State of Alaska
 FISCAL NOTE
 Second Session - Ninth Legislature

I. REQUEST

Bill Identification: SB 388
 Title: An Act relating to public representation on certain professional
 Requested by: Senator John Sackett Date: 1-29-76 boards.
 Return Date Requested: _____
 Agency: Commerce Program: Licensing Professions

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Regulating & Licensing of Professions
 A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100 PERSONAL SERVICES						
200 TRAVEL		5.0	5.5	6.0	6.6	7.3
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		5.0	5.5	6.0	6.6	7.3

B. FUNDING: (Thousands of dollars)

GENERAL FUND		5.0	5.5	6.0	6.6	7.3
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	/	0/	0/	0/	0/	0/
MAN MONTHS (P./T.)	/	0/	0/	0/	0/	0/

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

Assumes travel and per diem funding for five board members. Added member to Board of Governors of the Alaska Bar will not effect this agency.

10% factor for inflation.

Effective date July 1, 1976.

IV. ATTACHMENTS

V. DATE: January 30, 1976 PREPARED BY: Sharon Andrew, Director
 REVIEWED BY: David Cook

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

The Legislature of the State of Alaska
FISCAL NOTE

First Session - Ninth Legislature

I. REQUEST

Bill No. HB 430

Title: Appropriation for HB 429 - Procurement Policy Planning Fund

Requested by: House Finance Date: April 30, 1975

Return Date Requested:

Agency: Dept. of Public Works Program:

II. FISCAL DETAIL

Budget Request Unit(s) Affected:

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 75	FY 76	FY 77	FY 78	FY 79	FY 80
100 PERSONAL SERVICES						
200 TRAVEL		15.0				
300 CONTRACTUAL		450.0				
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

B. FUNDING: (Thousands of dollars)

GENERAL FUND		465.0				
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	/	3	/	/	/	/
MAN MONTHS (P./T.)	/	/	/	/	/	/

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

See Attached

IV. ATTACHMENTS

V. DATE: April 30, 1975

PREPARED BY:

RICHARD HOLDEN
Facilities Planning
University of Alaska

By: *J. B. Holden*

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

FISCAL NOTE HB 430

The sum of \$500,000 is requested for the Department of Public Works to implement the provisions of CSHB 429, to fund its public facility procurement planning provisions.

The development of planning, programming, analytical & life cycle cost methodologies will require expenditures on the following tasks performed with the assistance of expert consultants in the following approximate amounts:

1. PHYSICAL FACILITIES INVENTORY

- A. Development of rules of measurements and adaption of existing federal rules of measurement, development of a storage and analytical computer program to accept, and retrieve and analyse inventory data, including the adoption, where possible, of existing computer programs (e.g., University of Alaska, Federal ASD & WICHE)

COST:

DPW staff + 10 man/months consultant time @ \$24.00/hr
(average) = \$42,000

- B. Acquisition of base inventory data by field measurement and measurement of existing as built documents of currently occupied facilities

DPW staff + 6.5 man/months consultant time @ \$24.00/hr
(average) = \$27,000

2. LIFE CYCLE COST METHODOLOGY

- A. The development of a first-cost planning model including the adoption of the ASA/AIA cost plan:

DPW staff + 3.5 man/months consultant time @ \$35.00/hr
(average) = \$21,000

- B. The development of a maintenance - cost planning model to interface with the first cost model

DPW staff + 15 man/months consultant time @ \$35.00/hr
(average) = \$90,000

- C. A preliminary evaluation of an analytical model to analyse departmental operating budgets as a prelude to development of an "occupancy" cost model.

DPW staff + 3 man months consultant time @ \$40.00/hr
(average) = \$20,000

D. Development of storage and analytical computer programs to analyse data to be derived from 2 (a) & (b) above

DPW staff + 12 man months consultant time @ \$35.00/hr
(average) +\$72,000

3. CONTRACT & PROCUREMENT PRACTICE

Survey and evaluation of contract techniques, logistics and procurement modes (e.g.; design-build, lump-sum, performance contracts) for application to the State's Building program.

DPW staff + 18 man months consultant time @ \$40.00/hr
(average) =\$124,000

4. SPACE DESIGN STANDARDIZATION

Analysis of spatial types and user needs to develop generally useful design performance criteria which can define:

- A. The limits of flexibility of space types
- B. Performance standards for various facility functions
- C. Industry standards for adoption in facility designs

DPW staff + 10 man months consultant time @ \$40.00/hr
(average) =\$69,000

TOTAL 1, 2, 3 & 4 \$465,000

The Legislature of the State of Alaska
FISCAL NOTE

First Session - Ninth Legislature

I. REQUEST

Bill No. HB 430

Title: Appropriation for HB 429 - Procurement Policy Planning Fund

Requested by: House Finance

Date: April 30, 1975

Return Date Requested: _____

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Program: _____

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100 PERSONAL SERVICES						
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700 GRANTS, CLAIMS, ETC.						
"						
TOTAL						

B. FUNDING: (Thousands of dollars)

GENERAL FUND		465.0				
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	/	3	/	/	/	/	/
MAN MONTHS (P./T.)	/	/	/	/	/	/	/

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

See Attached

IV. ATTACHMENTS

RICHARD HOLDEN
Facilities Planning
University of Alaska

V. DATE: April 30, 1975

PREPARED BY: _____

By: J. B. Holden

Original: Legislative Finance
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COST:

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B. FUNDING: (Thousands of dollars)

GENERAL FUND		465.0				
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	/	3	/	/	/	/	/
MAN MONTHS (P./T.)	/	/	/	/	/	/	/

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

See Attached

IV. ATTACHMENTS

V. DATE: April 30, 1975

PREPARED BY:

RICHARD HOLDEN
Facilities Planning
University of Alaska

By: *J. B. Holden*

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

FISCAL NOTE HB 430

The sum of \$500,000 is requested for the Department of Public Works to implement the provisions of CSHB 429, to fund its public facility procurement planning provisions.

The development of planning, programming, analytical & life cycle cost methodologies will require expenditures on the following tasks performed with the assistance of expert consultants in the following approximate amounts:

1. PHYSICAL FACILITIES INVENTORY

- A. Development of rules of measurements and adaption of existing federal rules of measurement, development of a storage and analytical computer program to accept, and retrieve and analyse inventory data, including the adoption, where possible, of existing computer programs (e.g., University of Alaska, Federal ASD & WICHE)

COST:

DPW staff + 10 man/months consultant time @ \$24.00/hr
(average) = \$42,000

- B. Acquisition of base inventory data by field measurement and measurement of existing as built documents of currently occupied facilities

DPW staff + 6.5 man/months consultant time @ \$24.00/hr
(average) = \$27,000

2. LIFE CYCLE COST METHODOLOGY

- A. The development of a first-cost planning model including the adoption of the ASA/AIA cost plan:

DPW staff + 3.5 man/months consultant time @ \$35.00/hr
(average) = \$21,000

- B. The development of a maintenance - cost planning model to interface with the first cost model

DPW staff + 15 man/months consultant time @ \$35.00/hr
(average) = \$90,000

- C. A preliminary evaluation of an analytical model to analyse departmental operating budgets as a prelude to development of an "occupancy" cost model.

DPW staff + 3 man months consultant time @ \$40.00/hr
(average) = \$20,000

D. Development of storage and analytical computer programs to analyse data to be derived from 2 (a) & (b) above

DPW staff + 12 man months consultant time @ \$35.00/hr
(average) +\$72,000

3. CONTRACT & PROCUREMENT PRACTICE

Survey and evaluation of contract techniques, logistics and procurement modes (e.g.; design-build, lump-sum, performance contacts) for application to the State's Building program.

DPW staff + 18 man months consultant time @ \$40.00/hr
(average) =\$124,000

4. SPACE DESIGN STANDARDIZATION

Analysis of spatial types and user needs to develop generally useful design performance criteria which can define:

- A. The limits of flexibility of space types
- B. Performance standards for various facility functions
- C. Industry standards for adoption in facility designs

DPW staff + 10 man months consultant time @ \$40.00/hr
(average) =\$69,000

TOTAL 1, 2, 3 & 4 \$465,000

The Legislature of the State of Alaska
FISCAL NOTE

First Session - Ninth Legislature

I. REQUEST

Bill No. HB 430

Title: Appropriation for HB 429 - Procurement Policy Planning Fund

Requested by: House Finance Date: April 30, 1975

Return Date Requested: _____

Agency: Dept. of Public Works Program: _____

II. FISCAL DETAIL

Budget Request Unit(s) Affected: _____

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 75	FY 76	FY 77	FY 78	FY 79	FY 80
100 PERSONAL SERVICES						
200 TRAVEL		15.0				
300 CONTRACTUAL		450.0				
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

B. FUNDING: (Thousands of dollars)

GENERAL FUND		465.0				
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	/	3 /	/	/	/	/
MAN MONTHS (P./T.)	/	/	/	/	/	/

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

See Attached

IV. ATTACHMENTS

RICHARD HOLDEN
Facilities Planning
University of Alaska

V. DATE: April 30, 1975

PREPARED BY: _____

By: J. B. [Signature]

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

FISCAL NOTE HB 430

The sum of \$500,000 is requested for the Department of Public Works to implement the provisions of CSHB 429, to fund its public facility procurement planning provisions.

The development of planning, programming, analytical & life cycle cost methodologies will require expenditures on the following tasks performed with the assistance of expert consultants in the following approximate amounts:

1. PHYSICAL FACILITIES INVENTORY

- A. Development of rules of measurements and adaption of existing federal rules of measurement, development of a storage and analytical computer program to accept, and retrieve and analyse inventory data, including the adoption, where possible, of existing computer programs (e.g., University of Alaska, Federal ASD & WICHE)

COST:

DPW staff + 10 man/months consultant time @ \$24.00/hr
(average) = \$42,000

- B. . Acquisition of base inventory data by field measurement and measurement of existing as built documents of currently occupied facilities

DPW staff + 6.5 man/months consultant time @ \$24.00/hr
(average) = \$27,000

2. LIFE CYCLE COST METHODOLOGY

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DPW staff + 3.5 man/months consultant time @ \$35.00/hr
(average) = \$21,000

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DPW staff + 15 man/months consultant time @ \$35.00/hr
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- C. A preliminary evaluation of an analytical model to analyse departmental operating budgets as a prelude to development of an "occupancy" cost model.

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The Legislature of the State of Alaska
FISCAL NOTE

First Session - Ninth Legislature

I. REQUEST

Bill No. HB 430

Title: Appropriation for HB 429 - Procurement Policy Planning Fund

Requested by: House Finance Date: April 30, 1975

Return Date Requested: _____

Agency: Dept. of Public Works Program: _____

II. FISCAL DETAIL

Budget Request Unit(s) Affected: _____

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 75	FY 76	FY 77	FY 78	FY 79	FY 80
100 PERSONAL SERVICES	.					
200 TRAVEL		15.0				
300 CONTRACTUAL		450.0				
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
"						
TOTAL						

B. FUNDING: (Thousands of dollars)

GENERAL FUND		465.0				
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	/	3 /	/	/	/	/
MAN MONTHS (P./T.)	/	/	/	/	/	/

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

See Attached

IV. ATTACHMENTS

V. DATE: April 30, 1975

PREPARED BY: _____

RICHARD HOLDEN
Facilities Planning
University of Alaska

By: *J. B. Holden*

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

FISCAL NOTE HB 430

The sum of \$500,000 is requested for the Department of Public Works to implement the provisions of CSHB 429, to fund its public facility procurement planning provisions.

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(average) = \$42,000

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The Legislature of the State of Alaska
FISCAL NOTE

First Session - Ninth Legislature

I. REQUEST

Bill No. HB 430

Title: Appropriation for HB 429 - Procurement Policy Planning Fund

Requested by: House Finance Date: April 30, 1975

Return Date Requested: _____

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Budget Request Unit(s) Affected: _____

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B. FUNDING: (Thousands of dollars)

GENERAL FUND		465.0				
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	/	3 /	/	/	/	/
MAN MONTHS (P./T.)	/	/	/	/	/	/

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

See Attached

IV. ATTACHMENTS

RICHARD HOLDEN
Facilities Planning
University of Alaska

V. DATE: April 30, 1975

PREPARED BY:

By: J. B. Holden

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

FISCAL NOTE HB 430

The sum of \$500,000 is requested for the Department of Public Works to implement the provisions of CSHB 429, to fund its public facility procurement planning provisions.

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The Legislature of the State of Alaska
FISCAL NOTE

First Session - Ninth Legislature

I. REQUEST

Bill No. HB 430

Title: Appropriation for HB 429 - Procurement Policy Planning Fund

Requested by: House Finance

Date: April 30, 1975

Return Date Requested:

Agency: Dept. of Public Works

Program:

II. FISCAL DETAIL

Budget Request Unit(s) Affected:

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 75	FY 76	FY 77	FY 78	FY 79	FY 80
100 PERSONAL SERVICES	.					
200 TRAVEL		15.0				
300 CONTRACTUAL		450.0				
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

B. FUNDING: (Thousands of dollars)

GENERAL FUND		465.0				
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	/	3 /	/	/	/	/
MAN MONTHS (P./T.)	/	/	/	/	/	/

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

See Attached

IV. ATTACHMENTS

V. DATE: April 30, 1975

PREPARED BY:

RICHARD HOLDEN
Facilities Planning
University of Alaska

By: *J. B. Holden*

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

FISCAL NOTE HB 430

The sum of \$500,000 is requested for the Department of Public Works to implement the provisions of CSHB 429, to fund its public facility procurement planning provisions.

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- A. The development of a first-cost planning model including the adoption of the ASA/AIA cost plan:

DPW staff + 3.5 man/months consultant time @ \$35.00/hr
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(average) =\$124,000

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A. The limits of flexibility of space types

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DPW staff + 10 man months consultant time @ \$40.00/hr
(average) =\$69,000

TOTAL 1, 2, 3 & 4

\$465,000

THE LEGISLATURE OF THE STATE OF ALASKA
FISCAL NOTE

Second Session - Ninth Legislature

I. REQUEST

Bill No. SB 444
 Title: An act creating the Clam Gulch Critical Habitat Area
 Requested by: Ruth Allington Date: 3/1/76
 Return Date Requested: 3/2/76
 Agency: Fish and Game Program: NRMEC

II. FISCAL DETAIL

Budget Request Unit(s) Affected: none

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		0	0			

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)

There is no appreciable fiscal impact on the operations of the Department of Fish and Game anticipated as a result of passage of this legislation.

IV. ATTACHMENTS

V. DATE: 3/1/76 PREPARED BY: Jeff Morrison

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

THE LEGISLATURE OF THE STATE OF ALASKA
FISCAL NOTE

Second Session - Ninth Legislature

I. REQUEST

Bill No. S. B. 476

Title: An Act relating to the Alaska Longevity Bonus

Requested by: Senate HESS/Dani Bowman Date: 1/20/76

Return Date Requested: 1/22/76

Agency: Administration Program: Pioneer Benefits

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Longevity Bonus

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100 PERSONAL SERVICES	0					
200 TRAVEL	0					
300 CONTRACTUAL	0					
400 COMMODITIES	0					
500 EQUIPMENT	0					
600 LAND & STRUCTURES	0					
700 GRANTS, CLAIMS, ETC.	0	3,250.4	3,380.4	3,515.6	3,656.3	3,802.5
TOTAL		3,250.4	3,380.4	3,515.6	3,656.3	3,802.5

B. FUNDING: (Thousands of dollars)

GENERAL FUND	0	3,250.4	3,380.4	3,515.6	3,656.3	3,802.5
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	0 / 0	0 / 0	0 / 0	0 / 0	0 / 0	0 / 0
MAN MONTHS (P./T.)	0 / 0	0 / 0	0 / 0	0 / 0	0 / 0	0 / 0

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

Pioneer Alaskans who qualify for the State Longevity Bonus Program would have their benefits raised to \$150. per month. Total benefits requested for budget year 1977 is \$6,500,900. Total estimated costs with the \$50.00 raise per person would be \$9,751,300.

Assumed a 5% average annual increase for FY 78-81.

IV. ATTACHMENTS

V. DATE: 1/22/76 PREPARED BY Marie Swanson

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named) Fran Ulmer
Senate HESS (Dani Bowman)
LEgislative Affairs (Debbie Stock)

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

I. REQUEST

Bill No. CSSB 499
 Title: Compensating State Officers and Employees
 Requested by: Senate State Affairs Date: 1/29/76
 Return Date Requested: 1/30/76
 Agency: Administration Program: Statewide

II. FISCAL DETAIL

Budget Request Unit(s) Affected: All containing positions affected by this bill.

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100 PERSONAL SERVICES	6,092.2	6,850.7	7,193.2	7,552.9	7,930.5	8,327.1
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	6,092.2	6,850.7	7,193.2	7,552.9	7,930.5	8,327.1

B. FUNDING: (Thousands of dollars)

GENERAL FUND	6,092.2	6,850.7	7,193.2	7,552.9	7,930.5	8,327.1
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

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

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

Assume actual payments for period July - December 1975 is representative of 1/2 of FY 76.
 Assume CPI for calendar 1975 of 14% (10.1% in first 3/4 of year)
 Assume growth into FY 77 of 1.5% merit increase, 3.8% new positions and 1% reduction
 in vacancy rates; 4.5% cost of extending 9% on January 1, 1976 to a full fiscal year =
 2% benefit change
 Assume growth after FY 77 at 5%

IV. ATTACHMENTS

Cost Calculations: FY 76 U of A \$3,656.6
 FY 76 Executive Branch \$1,547.0
 FY 76 Legislature and Judicial Branch \$ 888.6

V. DATE: 1/30/76

PREPARED BY: Ronald B Lind

Ronald B. Lind

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

JUDICIAL AND LEGISLATIVE BRANCH

6 months actual salary costs July - December 1975			
Legislature	\$ 806.3		
Judicial	<u>2,967.9</u>		\$3,774.2
		+	<u>6</u>
Assume average monthly salary			\$ 629.0
Increase in schedule		x	<u>9%</u>
Monthly increased cost			\$ 56.6
		x	<u>6</u>
Cost of 9% salary 1/1 - 6/30/76			\$ 339.6
Benefits @ 21%			<u>71.3</u>
Cost Section 17, CSSB 499			\$ 410.9
Cost of assumed CPI increase in Anchorage of 14% which equates to a 5% adjustment, section 19, CSSB 499			
Monthly salary July 1 - December 31			\$ 629.0
		x	<u>5%</u>
Monthly cost of adjustment			\$ 31.5
		x	<u>6</u>
Salary Cost			\$ 189.0
Benefits @ 21%			<u>39.7</u>
Cost of adjustment July - December 1975			\$ 228.7
Monthly cost January 1 - June 30 (629.0 x 1.09)			\$ 685.6
		x	<u>5%</u>
Monthly cost of adjustment			\$ 34.3
		x	<u>6</u>
Salary Cost			\$ 205.8
Benefits @ 21%			<u>43.2</u>
Cost of adjustment January - June			\$ 249.0
Total cost of COLA			\$ 477.7
Cost of Base			<u>410.9</u>
			\$ 888.6

NON COVERED EMPLOYEES

Calculated Costs for 9% Increase and
Estimated Cost of Living Increase
(\$'s in 000's)

6 months actual salary costs July - December 1975:		\$6,569.8
	+	<u>6</u>
Assume Average Monthly salaries applicable to FY 76		\$1,095.0
Increase contained in salary schedule effective 1/1/76	x	<u>9%</u>
Monthly increased costs		\$ 98.6
	x	<u>6</u>
January 1 - June 30, 1976		\$ 591.6
Benefits at 21%		<u>124.2</u>
Cost of 9% increase for executive branch employees		\$ 715.8
Cost of assumed CPI increase in Anchorage of 14% which equates to a 5% adjustment for FY 76 (no adjustment make for terminations)		
Monthly salary July 1 - December 31		\$1,095.0
	x	<u>5%</u>
Monthly cost of adjustment		\$ 54.8
	x	<u>6</u>
Cost for period - salary		\$ 328.8
Benefits at 21%		<u>69.0</u>
Total cost July - December 31 (This is main item that would be adjusted because of terminations)		\$ 397.8
Monthly salary cost January - June (1,095.0 x 1.09)		\$1,193.6
	x	<u>5%</u>
Cost per month		\$ 59.7
	x	<u>6</u>
Cost for period salary		\$ 358.2
Benefits at 21%		<u>75.2</u>
Total cost January - June		\$ 433.4
Total cost of projected CPI adjustment		\$ 831.2
Total cost of 9% adjustment		<u>715.8</u>
Total FY 76 Cost		<u>\$1,547.0</u>

UNIVERSITY OF ALASKA

Cost of Non-Covered Employee Increase
 General Fund Only
 (\$'s in 000's)

FY 76 Authorization including benefits of salaries paid by the general fund (from U. of A.)	\$37,600.0
Increased base effective 1/1/76 to approximate 1/2 year for the employee	x $\frac{9\%}{2}$ \$ 3,384.0
Cost for period January - June, 1976	\div \$ 1,692.0
Assume CPI increase for Anchorage of 14% which equates a 5% increase for FY 76	
Base personal services	\$37,600.0
1/2 year cost	\div \$18,800.0
Cost of 5% for July - December, 1975	x $\frac{5\%}{2}$ \$ 940.0
Base personal services adjustment for 9% increase adjusted base	\$18,800.0
Cost of 5% January - June	x $\frac{1.09}{2}$ \$ 1,024.6
Total cost of CPI increase of 5%	\$ 1,964.6
Total Cost of Proposal	<u>\$ 3,656.6</u>

• Sec. ~~13~~ 1: It is the intent of the legislature that

permanent employees of the legislative branch and the permanent and temporary employees of the judicial branch receive pay increases comparable to those received by the classified and partially exempt employees under secs. 10 - 20 of this chapter; it is also the intent that employees of the University of Alaska receive pay increases comparable to those received by the classified and partially exempt employees under sec. 10 of this chapter.

Introduced: 1/14/76
Referred: State Affairs and
Finance

1 IN THE SENATE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 SENATE BILL NO. 499

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 method of compensating state
7 officers and employees; and providing for an
8 effective date."

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

10 * Section 1. AS 16.43.060 is amended to read:

11 Sec. 16.43.060. COMPENSATION OF MEMBERS OF THE ALASKA COMMERCIAL
12 FISHERIES ENTRY COMMISSION. Members of the commission are in the
13 exempt service and shall receive an annual salary equal to that of a
14 district court judge [, PAYABLE IN EQUAL MONTHLY INSTALLMENTS].

15 * Sec. 2. AS 22.05.140(a) is amended to read:

16 (a) The annual salary for the chief justice and each associate
17 justice is 20 per cent above Step E, Range 28 of the salary schedule
18 established in AS 39.27.010 for Anchorage, Alaska. [THE COMPENSATION
19 IS PAYABLE MONTHLY IN 12 EQUAL INSTALLMENTS.] Compensation of the
20 chief justice or of an associate justice shall not be diminished
21 during his term of office, unless by general law applying to all
22 salaried officers of the state.

23 * Sec. 3. AS 22.10.190(a) is amended to read:

24 (a) The annual salary for each superior court judge is 10 per
25 cent above Step E, Range 28 of the salary schedule established in AS
26 39.27.010 for Anchorage, Alaska [, PAYABLE MONTHLY IN 12 EQUAL INSTALL-
27 MENTS]. The compensation of a judge shall not be diminished during
28 his term of office, unless by general law applying to all salaried
29 officers of the state.

1 * Sec. 4. AS 22.15.220(a) is amended to read:

2 (a) The annual salary for each district judge is 93 per cent of
3 Step E, Range 28 of the salary schedule established in AS 39.27.010
4 for Anchorage, Alaska [, PAYABLE MONTHLY IN 12 EQUAL INSTALLMENTS].

5 * Sec. 5. AS 22.15.220(b) is amended to read:

6 (b) Each magistrate shall receive annual compensation to be
7 determined by the supreme court. Salary increases shall be determined
8 on the basis of percentage of pay increase the legislature provides
9 for state employees in the classified service. [A MAGISTRATE'S ANNUAL
10 COMPENSATION MAY BE PAYABLE, AT THE OPTION OF THE MAGISTRATE, EITHER
11 MONTHLY IN 12 EQUAL INSTALLMENTS OR SEMI-MONTHLY IN 24 EQUAL INSTALL-
12 MENTS.]

13 * Sec. 6. AS 24.15.020 is amended to read:

14 Sec. 24.15.020. ANNUAL LEGISLATIVE SALARIES. The annual salary
15 for each member of the legislature is 33-1/3 per cent of Step E, Range
16 28 of the salary schedule established in AS 39.27.010 for Anchorage,
17 Alaska [, TO BE PAID IN APPROXIMATELY EQUAL MONTHLY PAYMENTS]. The
18 president of the senate and speaker of the house of representatives
19 are each entitled to an additional \$500 a year during tenure of office.

20 * Sec. 7. AS 39.20.010 is amended to read:

21 Sec. 39.20.010. ANNUAL SALARY OF GOVERNOR. The annual salary of
22 the governor is \$50,000. [THE SALARY SHALL BE PAID IN EQUAL MONTHLY
23 INSTALLMENTS.]

24 * Sec. 8. AS 39.20.030 is amended to read:

25 Sec. 39.20.030. ANNUAL SALARY OF LIEUTENANT GOVERNOR. The
26 annual salary of the lieutenant governor is \$44,000. [THE SALARY
27 SHALL BE PAID IN EQUAL MONTHLY INSTALLMENTS.]

28 * Sec. 9. AS 39.20.080(a) is amended to read:

29 (a) The annual salary of the head of each principal executive

1 department of the state upon appointment and confirmation is 10 per
2 cent above Step E, Range 28 of the salary schedule established in AS
3 39.27.010 for Anchorage, Alaska. [THIS SALARY SHALL BE PAID IN EQUAL
4 MONTHLY INSTALLMENTS.]

5 * Sec. 10. AS 39.20.200 is amended to read:

6 Sec. 39.20.200. COMPUTATION OF ANNUAL LEAVE. Officers and
7 employees of the state are entitled to annual leave with pay which is
8 credited at the conclusion of each pay period. Leave shall be credited
9 as an appropriate portion of the following annual accrual rates
10 [ACCRUES AS FOLLOWS]:

11 (1) 112.5 hours [ONE AND ONE-QUARTER DAYS FOR EACH FULL
12 MONTHLY PAY PERIOD] in the case of officers and employees with less
13 than two years of service;

14 (2) 135.0 hours [ONE AND THREE-QUARTERS DAYS FOR EACH FULL
15 MONTHLY PAY PERIOD] in the case of officers and employees with two but
16 less than five years of service;

17 (3) 180.0 hours [TWO DAYS FOR EACH FULL MONTHLY PAY PERIOD]
18 in the case of officers and employees with five but less than 10 years
19 of service;

20 (4) 225.0 hours [TWO AND ONE-HALF DAYS FOR EACH FULL
21 MONTHLY PAY PERIOD] in the case of officers and employees with 10
22 years or more of service.

23 * Sec. 11. AS 39.20.260(a) is amended to read:

24 (a) Officers and employees are entitled to medical leave with
25 pay which accrues at the equivalent [RATE] of 112.5 hours per year
26 [ONE AND ONE-QUARTER DAYS FOR EACH FULL MONTHLY PAY PERIOD]. Medical
27 leave which is not used during the 12-month period in which it accrues
28 accumulates and is available for use in succeeding 12-month periods.

29 * Sec. 12. AS 39.27.010 is repealed and re-enacted to read:

1 Sec. 39.27.010. BASIC SALARY SCHEDULE. The following annual
 2 basic salary schedule is approved as the pay plan for classified and
 3 partially exempt employees of the state unless otherwise provided for
 4 by a collective bargaining agreement negotiated under the authority of
 5 the Public Employment Relations Act:

6 RANGE

7 NO.	STEP A	STEP B	STEP C	STEP D	STEP E	STEP F
8 5	-	-	-	-	-	10,020
9 6	-	-	-	10,020	10,332	10,656
10 7	-	10,020	10,332	10,656	10,992	11,340
11 8	10,332	10,656	10,992	11,340	11,688	12,084
12 9	10,992	11,340	11,688	12,084	12,468	12,852
13 10	11,688	12,084	12,468	12,852	13,284	13,704
14 11	12,468	12,852	13,284	13,704	14,160	14,628
15 12	13,284	13,704	14,160	14,628	15,180	15,744
16 13	14,160	14,628	15,180	15,744	16,332	16,956
17 14	15,180	15,744	16,332	16,956	17,592	18,264
18 15	16,332	16,956	17,592	18,264	18,936	19,656
19 16	17,592	18,264	18,936	19,656	20,388	21,156
20 17	18,936	19,656	20,388	21,156	21,948	22,764
21 18	20,388	21,156	21,948	22,764	23,604	24,504
22 19	21,948	22,764	23,604	24,504	25,428	26,388
23 20	23,604	24,504	25,428	26,388	27,348	28,380
24 21	25,428	26,388	27,348	28,380	29,460	30,552
25 22	27,348	28,380	29,460	30,552	31,704	32,892
26 23	29,460	30,552	31,704	32,892	34,116	35,412
27 24	31,704	32,892	34,116	35,412	36,732	38,112
28 25	34,116	35,412	36,732	38,112	39,540	41,028
29 26	35,412	36,732	38,112	39,540	41,028	42,552

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RANGE

NO.	STEP A	STEP B	STEP C	STEP D	STEP E	STEP F
27	36,732	38,112	39,540	41,028	42,552	44,160
28	38,112	39,540	41,028	42,552	44,160	45,816
29	39,540	41,028	42,552	44,160	45,816	47,532
30	41,028	42,552	44,160	45,816	47,532	49,320

* Sec. 13. AS 42.05.091 is amended to read:

Sec. 42.05.091. COMPENSATION OF MEMBERS OF THE ALASKA PUBLIC UTILITIES COMMISSION. Members of the commission are in the exempt service and shall receive an annual salary equal to that of a district court judge [TO BE PAID IN EQUAL MONTHLY INSTALLMENTS].

* Sec. 14. AS 42.06.090 is amended to read:

Sec. 42.06.090. COMPENSATION OF MEMBERS OF THE ALASKA PIPELINE COMMISSION. Members of the commission are in the exempt service described in AS 39.25 and receive an annual salary equal to that of a district court judge [TO BE PAID IN EQUAL MONTHLY INSTALLMENTS].

* Sec. 15. AS 42.07.071 is amended to read:

Sec. 42.07.071. COMPENSATION OF MEMBERS OF THE ALASKA TRANSPORTATION COMMISSION. The commissioners are in the exempt service under AS 39.25 and shall receive an annual salary equal to that of a district court judge [PAYABLE IN EQUAL MONTHLY INSTALLMENTS].

* Sec. 16. This Act takes effect July 16, 1976.

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

I. REQUEST

Bill Identification: SB 533
 Title: An act relating to the Alaska Longevity Bonus Program
 Requested by: HESS/Dani Bowman Date: 1/20/76
 Return Date Requested: 1/22/76
 Agency: Administration Program: Pioneers' Benefits

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Longevity Bonus

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 74	FY 75	FY 76	FY 77	FY 78	FY 79
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.	0	\$199.8	\$926.1	\$972.4	\$1,021.0	\$1,072.1
TOTAL	0	\$199.8	\$926.1	\$972.4	\$1,021.0	\$1,072.1

B. FUNDING: (Thousands of dollars)

GENERAL FUND	0	\$199.8	\$926.1	\$972.4	\$1,021.0	\$1,072.1
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	0 / 0	0 / 0	0 / 0	0 / 0	0 / 0	0 / 0
MAN MONTHS (P./T.)	/	/	/	/	/	/

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

SEE ATTACHMENT ONE

IV. ATTACHMENTS

SEE ATTACHMENT ONE

V. DATE: 1/22/76 PREPARED BY: Vernon L. Perry

Original: Legislative Finance 1
 Budget and Management 2
 cc: Prime Sponsor (First Legislator Named) 7 *now Ulmer*
Senator HESS (Dani Bowman)
Leg Affairs (Debbie Storch)

ATTACHMENT ONE

III. ANALYSIS

Section 1. The proposed bill would expand eligibility for the longevity bonus to include pioneers in Alaska who have maintained a domicile in the territory or State a total of 30 years in addition to the currently required 25 continuous years.

The amount of annual expenditures can only be approximated as no records are available that indicate length of residence in Alaska of persons 65 years of age or older. However, in the past fiscal year approximately 150 persons who have applied for the longevity bonus program have been refused. Reasons for ineligibility are not recorded. It is estimated 50% (75) were due to lack of 25 years continuous residence in the State. It is also estimated approximately another 75 have not applied to the program knowing they do not meet present residency requirements.

Thus: $75 + 75 = 150 \times \$111 = \$16,650 \times 12 = \underline{\$199,800}$

Section 2. The Consumer Price Index (C.P.I.) for Anchorage Alaska in 1973 was 5.9% above the previous year. In 1974 the increase was 13.1% over 1973 and 12.4% in 1975. This one year trend would indicate the cost-of-living may be leveling off. Therefore, an increase of 11% is used for each year following FY 77. Should the C.P.I. escalate again as dramatically as the period between 1973 and 1974 the cost would correspondingly increase. Should a decline in the rate of increase be experienced the increase in costs would be less.

$\$6,603,100$ (Est. FY 78 cost) $\times 11\% = \$726,341$
Sec. 3 & 4. No expected cost.

Total added cost FY 78 = $\$926,141$

Assume 5% increase for FY 79 - 81.

STATE OF ALASKA

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, GOVERNOR

POUCH S - JUNEAU 99811

January 30, 1976

Honorable Jalmar M. Kerttula
Chairman
Senate Finance Committee
Alaska State Legislature
State Capitol Building
Juneau, AK 99811

Re: Senate Bill No. 535

Dear Senator Kerttula:

Senate Bill No. 535, an Act relating to the residential fuel credit, was introduced by the Rules Committee by request of the Governor on January 19, 1976 and was referred to the Senate Commerce and Finance Committees.

For the consideration of the Senate Commerce Committee, I am enclosing a copy of a fiscal note and attached memorandum, advising of effect on Treasury, as prepared by Frederick P. Boetsch, Deputy Commissioner, Department of Revenue.

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

Very truly yours,

R. D. Stevenson
Special Assistant

Enclosures

cc: Frederick P. Boetsch
Deputy Commissioner
Department of Revenue

Honorable Bill Ray
Chairman
Senate Finance Committee
Alaska State Legislature
State Capitol Building
Juneau, AK 99811

THE LEGISLATURE OF THE STATE OF ALASKA
FISCAL NOTE

Second Session - Ninth Legislature

I. REQUEST
 Bill No. Senate Bill No. 535
 Title: Residential Fuel Credit
 Requested by: _____ Date: _____
 Return Date Requested: _____
 Agency: Revenue Program: Audit

II. FISCAL DETAIL
 Budget Request Unit(s) Affected: _____ Audit
 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	/	/	/	/	/	/
MAN MONTHS (P./T.)	/	/	/	/	/	/

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

IV. ATTACHMENTS

See Memorandum dated January 12, 1976 from Frederick P. Boetsch, Deputy Commissioner to Sterling Gallagher, Commissioner of Revenue concerning estimated loss of revenue.

V. DATE: January 30, 1976 PREPARED BY: *Frederick P. Boetsch*
 Deputy Commissioner, Taxation

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

MEMORANDUM

State of Alaska

TO: Sterling Gallagher
Commissioner
Department of Revenue

DATE: January 12, 1976

FILE NO:

TELEPHONE NO:

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

SUBJECT: Governor's Bill to Provide
for a Fuel Use Credit in
the Income Tax

This bill provides for a credit to individuals on individual income tax returns for the fuel costs incurred in heating their personal residences. The credit shall be three percent of the actual fuel costs incurred for personal residences or \$10.00 per taxpayer, whichever is greater. The \$10.00 minimum provides for the renter who incurs fuel costs indirectly.

The estimated effect on treasury would be a loss of approximately \$2,500,000 annually. This estimate is based on an average credit of \$15.00 per taxpayer and approximately 165,000 individual taxpayers.

There are no administrative costs connected with this bill.

cc: Gary Jenkins, Director
Audit Division

1 IN THE SENATE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 SENATE BILL NO. 535

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 residential fuel credit; and
7 providing for an effective date."

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

9 * Section 1. AS 43.20 is amended by adding a new section to read:

10 Sec. 43.20.038. RESIDENTIAL FUEL CREDIT. (a) An individual
11 shall be allowed as a credit against the tax due under this chapter
12 three per cent of his residential fuel expenses paid during the year
13 but not less than a minimum credit of \$10. For married individuals
14 filing separate returns the minimum credit is \$5 for each return.
15 Part-year residents and nonresident individuals shall prorate the
16 minimum credit according to the number of months resided within the
17 state.

18 (b) For purposes of this section residential fuel expenses means
19 the costs of heating oil, gas, electricity, or other fuel used within
20 the state to heat the taxpayer's personal residence.

21 * Sec. 2. This Act is retroactive to January 1, 1976.

22 * Sec. 3. This Act takes effect immediately in accordance with AS 01.-
23 10.070(c).

STATE OF ALASKA

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, GOVERNOR

POUCH 5 - JUNEAU 99811

January 29, 1976

Honorable Kay Poland
Chairman
Senate Resources Committee
Alaska State Legislature
State Capitol Building
Juneau, AK 99811

Re: Senate Bill No. 538

Dear Senator Poland:

Senate Bill No. 538, an Act relating to the oil and gas properties production tax was introduced in the Senate by the Rules Committee by request of the Governor on January 19, 1976 and was referred to the Senate Resources and Finance Committees.

Enclosed for the consideration of the Senate Resources Committee is fiscal note and attached memorandum from Frederick P. Boetsch, Deputy Commissioner, Department of Revenue concerning Senate Bill No. 538.

If you or any members of the Senate Resources Committee have any questions on the material submitted, please contact the writer by telephone at 465-2397 and I will contact Mr. Boetsch to submit further material or testify at a Committee hearing.

Very truly yours,

R. D. Stevenson
Special Assistant

Enclosures

cc: Frederick P. Boetsch
Deputy Commissioner
Department of Revenue

Honorable Bill Ray
Chairman
Senate Finance Committee
Alaska State Legislature
State Capitol Building
Juneau, AK 99811

THE LEGISLATURE OF THE STATE OF ALASKA
FISCAL NOTE

Second Session - Ninth Legislature

I. REQUEST

Bill No. Senate Bill No. 538
 Title: Oil and gas properties production tax
 Requested by: _____ Date: _____
 Return Date Requested: _____
 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						

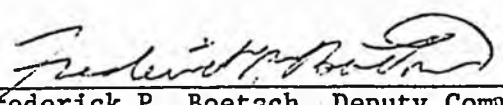
C. POSITIONS:

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

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

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
 Department of Revenue

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

MEMORANDUM

State of Alaska

TO: Sterling Gallagher
Commissioner
Department of Revenue

DATE: January 12, 1976

FILE NO:

TELEPHONE NO:

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

SUBJECT: Governor's Bill Making
Technical Amendments to
the Oil and Gas Severance
Tax (AS 43.55)

This bill makes a technical amendment to the Oil and Gas Severance Tax Act by providing for the tax to be levied at the point of production (rather than at the well) of the oil and gas produced (rather than removed or sold) from each lease or property. Basically, it makes clear that the tax is actually based on production and it does not require that the gas or oil be removed from the property or sold in order for the tax to become applicable. The mineral must merely be produced. In addition, it provides for an audit trail which can be verified by State auditors since total production from a lease or property can be measured whereas average daily production for each well (the current provision) cannot really be measured or traced by the auditor. In order to provide for the progressive nature of the oil severance tax schedule, the rate schedule is amended to apply the rates on average daily per well production. In addition, several definitions are added for purposes of clarity and specificity. This bill will remove some of the confusion in the present law which led to the Cook Inlet Pricing Case.

cc: Tom Williams, Director
Petroleum Revenue Division

Introduced: 1/19/76
Referred: Resources and
Finance

1
2 IN THE SENATE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

3 SENATE BILL NO. 538

4 IN THE LEGISLATURE OF THE STATE OF ALASKA

5 NINTH LEGISLATURE - SECOND SESSION

6 A BILL

7 For an Act entitled: "An Act relating to the oil and gas properties
8 production tax; and providing for an effective date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA: |

10 * Section 1. AS 43.55.010(a) is amended to read:

11 (a) There is levied upon the producer of oil or gas a tax
12 based upon a per cent of the gross value at the point of production
13 [AT THE WELL] of all oil or gas produced [REMOVED OR SOLD] from
14 each lease or property in the state, less the value of any part
15 the ownership or right to which is exempt from taxation. The
16 tax is determined according to the following schedules, and any
17 part which is exempt from taxation is deducted from the tax levied
18 on a pro rata basis as to each production level tax bracket:

19 (1) oil: based upon the total production from each
20 lease or property [AVERAGE DAILY PRODUCTION FOR EACH WELL] for
21 the calendar month in barrels, the tax is

22 (A) five per cent on the first 300 barrels of
23 average daily per well production;

24 (B) six per cent on the next 700 barrels of average
25 daily per well production;

26 (C) eight per cent on all production in excess
27 of 1,000 barrels of average daily per well production;

28 (2) gas: the tax is four per cent of the gross value
29 at the point of production of the gas and liquid products produced

1 each month.

2 * Sec. 2. AS 43.55.015(a) is amended to read:

3 (a) There is levied upon the producer of oil a tax on each
4 barrel of oil produced [REMOVED OR SOLD] from each lease or property
5 in the state less any part the ownership or right to which is
6 exempt from taxation. The tax is based upon the total production
7 from each lease or property [AVERAGE DAILY PRODUCTION FOR EACH
8 WELL] for the calendar month in barrels determined according
9 to the following schedule and any part which is exempt from taxation
10 is deducted from the tax levied on a pro rata basis as to each
11 production level bracket:

12 (1) \$.16875 on each of the first 300 barrels of average
13 daily per well production;

14 (2) \$.2025 on each of the next 700 barrels of average
15 daily per well production;

16 (3) \$.2700 on each of the barrels [OF PRODUCTION]
17 in excess of 1,000 barrels of average daily per well production.

18 * Sec. 3. AS 43.55.020(a) is amended to read:

19 (a) The gross production tax on oil or gas shall be paid
20 monthly. The tax is due on the 20th day [LAST DAY] of each calendar
21 month on oil or gas produced [REMOVED OR SOLD] from each lease
22 or property during the preceding month. If the tax is not paid
23 before the end of the month in which it becomes due, the tax
24 becomes delinquent.

25 * Sec. 4. AS 43.55.020(e) is amended to read:

26 (e) Gas produced and used, except gas used in the operation
27 of a lease or property in drilling for or producing oil or gas,
28 or for repressuring, is considered, for the purpose of this chapter
29

1 and in the amount used, as gas produced [REMOVED OR SOLD] from
2 a lease or property.

3 * Sec. 5. AS 43.55.030(a)(1) is amended to read:

4 (1) a description of the lease or property from which
5 the oil or gas was produced [REMOVED OR SOLD], by name, legal
6 description, lease number or by accounting code numbers assigned
7 by the department;

8 * Sec. 6. AS 43.55.030(a)(3) is amended to read:

9 (3) the gross amount of oil or gas produced [REMOVED
10 OR SOLD] from the lease or property, and the percentage of the
11 gross amount owned by each producer for whom the tax is paid;

12 * Sec. 7. AS 43.55.030(a)(4) is amended to read:

13 (4) the total value of the oil or gas produced [REMOVED
14 OR SOLD] from the lease or property owned by each producer for
15 whom the tax is paid; and

16 * Sec. 8. AS 43.55.140 is amended by adding new paragraphs to
17 read:

18 (12) "gross value at the point of production" means:

19 (A) for oil, the value of the oil at the point
20 where it is metered or measured (by automatic custody transfer
21 meter, tank gauge, or other method approved by the commissioner)
22 in a condition of pipeline quality on the premises of the
23 lease or property from which it is recovered; however, if
24 the oil is not of pipeline quality when it is removed from
25 the premises of the lease or property from which it is recovered,
26 or if the oil recovered from a lease or property is not
27 metered or measured (by automatic custody transfer meter,
28 tank gauge, or other method approved by the commissioner)
29

1 on the premises of the lease or property from which it is
2 recovered, then the gross value at the point of production
3 is the value of that oil at the off-premises location where
4 the oil is first metered or measured (by automatic custody
5 transfer meter, tank gauge, or other method approved by
6 the commissioner) in a condition of pipeline quality;

7 (B) for gas recovered from or in association
8 with oil, the value of the gas at the point where it is
9 accurately metered or measured after separation from the
10 oil; for gas run through a gas processing plant, the gross
11 value at the point of production is the full consideration
12 received by the producer for the gas if sold in an arm's
13 length transaction or, in the absence of an arm's length
14 transaction, is the sum of the value of the liquids extracted
15 from the gas at the plant and the value of the residue gas,
16 less a reasonable allowance for processing the gas at the
17 plant and for transporting the gas to the plant from the
18 premises upon which the oil production operation is conducted;
19 and

20 (C) for gas not recovered from or in association
21 with oil, the value of the gas at the point where it is
22 accurately metered or measured or the value of the gas at
23 the point of sale, if any, on the premises of the lease
24 or property from which the gas is recovered, whichever is
25 the higher value; for gas run through a gas processing plant,
26 the gross value at the point of production is the full considera-
27 tion received by the producer for the gas if sold in an
28 arm's length transaction or, in the absence of an arm's
29

1 length transaction, is the sum of the value of the liquids
2 extracted from the gas at the plant and the value of the
3 residue gas, less a reasonable allowance for processing
4 the gas at the plant and for transporting the gas to the
5 plant from the point where it was accurately metered or
6 measured;

7 (13) "oil production operation" means the operation
8 by which oil is recovered from a lease or property and rendered
9 into oil of pipeline quality, and includes any gathering done
10 before the oil is finally rendered into oil of pipeline quality;

11 (14) "pipeline quality" means good and marketable
12 condition;

13 (15) "average daily per well production" means the
14 amount calculated by dividing the total number of barrels of
15 oil produced from each lease or property during the calendar
16 month by the total number of wells produced on the lease or property
17 any time during the calendar month and dividing that amount by
18 the total number of days in the calendar month.

19 * Sec. 9. AS 43.55.140(10) and (11) are repealed.

20 * Sec. 10. This Act takes effect immediately in accordance with
21 AS 01.10.070(c).

STATE OF ALASKA

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, GOVERNOR

POUCH 5 - JUNEAU 99811

February 4, 1976

The Honorable Jalmar Kerttula
Chairman
Senate Commerce Committee
Alaska State Legislature
State Capitol Building
Juneau, AK 99811

Re: Senate Bill No. 566
Senate Bill No. 571

Dear Senator Kerttula:

Senate Bill No. 566, an Act relating to health care was introduced in the Senate on January 23, 1976 and was referred to the Senate Commerce and Judiciary Committees.

Senate Bill No. 571, an Act making a special appropriation to the patient compensation fund was introduced in the Senate on January 23, 1976 and was referred to the Senate Commerce and Finance Committees.

For the consideration of the Senate Commerce Committee, I am enclosing a copy of a memorandum dated January 28, 1976 from Lawrence C. Eppenbach, Deputy Commissioner, Treasury, Department of Revenue concerning the fiscal impact of the special appropriation contained in Senate Bill No. 571 and the appropriate provisions of Senate Bill No. 566.

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

Very truly yours,

R. D. Stevenson
Special Assistant

cc: The Honorable Robert Ziegler
Chairman
Senate Judiciary Committee

The Honorable Bill Ray
Chairman
Senate Finance Committee

The Honorable Mike Colletta
Sponsor - Senate Bill Nos. 566 and 571

Lawrence C. Eppenbach
Deputy Commissioner, Treasury
Department of Revenue

MEMORANDUM

State of Alaska

TO: R. D. Stevenson
Special Assistant
Department of Revenue

DATE: January 28, 1976

FILE NO:

TELEPHONE NO:

FROM: Lawrence C. Eppenbach *LCE*
Deputy Commissioner, Treasury
Department of Revenue

SUBJECT: Senate Bill No. 566
Senate Bill No. 571

I have reviewed SB 571 and the appropriate provisions of SB 566 with respect to the impact of the special appropriation contained in SB 571. Because the cash flow crunch in this State will continue until the North Slope petroleum is produced in volume, the interest free loan provided in SB 571 should be considered similar to a direct appropriation as to impact on Treasury. In other words, given the cash flow crunch during the pay back period it is reasonable to judge the impact of this \$2 million loan to be reasonably the same as an impact of a direct \$2 million appropriation.

LCE:ge

Introduced: 1/23/76
Referred: Commerce and
Judiciary

1 IN THE SENATE

BY COLLETTA BY REQUEST

2 SENATE BILL NO. 566

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 health care; and providing for an
7 effective date."

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

9 * Section J. AS 21 is amended by adding a new chapter to read:

10 CHAPTER 88. HEALTH CARE PROVIDERS.

11 Sec. 21.88.010. DECLARATION OF PURPOSE. The legislature finds
12 that a health care emergency exists because health care providers are
13 unable to obtain adequate professional liability insurance at reasonable
14 cost. The emergency poses a serious threat to the health care of the
15 people of this state because health care providers must either practice
16 without professional liability insurance or withdraw from the state.

17 Sec. 21.88.020. PATIENT COMPENSATION FUND. (a) A patient compen-
18 sation fund is established to be administered by the commissioner of
19 commerce. The fund consists of annual payments from each health care
20 provider licensed to practice in the state and a state contribution
21 which is in the nature of an interest-free loan.

22 (b) Each health care provider may contribute annually to the fund
23 an amount equal to 0.5 per cent of the first \$50,000 of the gross re-
24 ceipts as reported in the application for a license or renewal of a
25 license under the Alaska Business License Act (AS 43.70); 1.0 per cent
26 of the gross receipts over \$50,000 but under \$100,000; and 2.0 per cent
27 of the gross receipts of \$100,000 and over. This contribution shall be
28 made within 60 days after the effective date of this Act and before
29 April 1 of each following year.

1 (c) The commissioner shall pay from the fund that portion of all
2 claims awarded under this chapter which exceed \$25,000.

3 (d) The state contribution under (a) of this section shall be
4 repaid to the general fund in annual payments of \$500,000, or the amount
5 by which the fund exceeds \$1,000,000 on February 2 of each year, which-
6 ever is smaller.

7 (e) If, after the loan from the general fund is fully repaid
8 according to the provisions of (d) of this section, the unobligated
9 remainder of the fund contains \$2,000,000 or more on February 2 of any
10 year, the next contribution due under (a) of this section shall be made
11 at a rate of 50 per cent of the contribution required under that sub-
12 section. If the unobligated portion of the fund is less than \$1,000,000
13 on February 2 of any year, the next contribution due under (b) of this
14 section shall be made at a rate of 200 per cent of the contribution
15 required under that subsection.

16 Sec. 21.88.030. MEDICAL INJURIES COMPENSATION BOARD. (a) There
17 is established in the Department of Commerce the Medical Injuries Com-
18 pensation Board. The board consists of seven members as follows: one
19 person licensed under AS 08.64 chosen from a list of three submitted by
20 the Alaska State Medical Association; one practicing attorney licensed
21 under AS 08.08 chosen from a list of three submitted by the Alaska Bar
22 Association; one hospital administrator or assistant administrator
23 chosen from a list of three submitted by the Alaska Hospital Associa-
24 tion; one dentist licensed under AS 08.36; and three persons who are not
25 medical care providers or attorneys. Appointments are made by the
26 governor subject to confirmation by the legislature.

27 Sec. 21.88.040. TERM AND COMPENSATION. Board members serve four-
28 year terms. Board members receive travel expenses and per diem as
29 allowed by law and compensation at the rate of \$100 a day while the