

LEG. FINANCE - BILLS 1979 - 1980 1047

HB 121 cont., thru HB 124 1943

# KENAI PENINSULA COMMUNITY COLLEGE

of the University of Alaska in cooperation with the Kenai Peninsula Borough School District

P.O. Box 848 ★ Soldotna, Alaska 99669 ★ 262-5801

February 28, 1979

Representative Hugh Malone  
Alaska State Legislature  
Pouch V  
Juneau, Alaska 99811

Dear Representative Malone:

You have asked that I respond to two questions on the statistics used in the HESS testimony on House Bill 121 at the teleconference held in the Kenai Peninsula Borough Building on Monday. The first question had to do with interpreted differences in growth rates and "Real" 46% annual increase KPCC quoted for 1976-77 to 1977-78. The second question had to do with the size of the FY-75 Budget.

As to the first question, The term "Real" growth was emphasized in the testimony. "Real" in statistics or economics means that data or analyses have been adjusted or corrected for unusual, incorrect, improper, non-normal, non-homogenous, etc. matter or for varying conditions that might systematically influence an outcome.

Dr. O'Rourke referred correctly to a basic FY-77 credit hour production of 7,233 in his analysis of growth. When we discovered this number January 22 answer to your request, we also adopted the University amount as the KPCC starting point for testifying as to annual growth. But if statistical meaning is to be inferred from the search for trends or stable growth patterns - whether for planning, budgetary or other purposes - non-normal or non-homogenous variants must be taken into account in the process of analysis. Such a non-normal/non-homogenous condition arose as follows.

During January and February of 1977, a special one-time-only "school" was held in the Ramada Inn in Anchorage for 40 selected workers from British-Petroleum and 125 from Alyeska. The "school" was conducted by members of the KPCC faculty at a time when it would not interfere with the regular campus schedule. The Anchorage students were a captive audience, keyworkers who actually would operate the pipeline just a few months later. 1,594 one-time credit-hours were recorded by KPCC at this "school" which was financed in toto by \$68,000 in restricted contracts between KPCC and the two petroleum firms. In order to derive "Real" comparisons over time, it was necessary to withdraw the 1,594 credit hours from the University of Alaska figure of 7,233; these particular special credit hours could not recur and their inclusion in an analysis could bias conclusions to an untenable degree. Because sound theoretical practice required it, the matter was explained in a footnote to the skeleton statistics at the end of

Representative Hugh Malone

February 28, 1979

Page 2

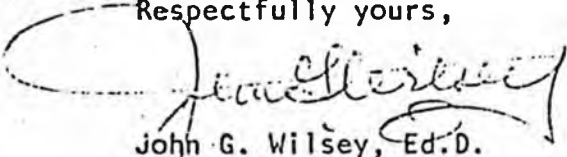
the letter of transmittal. In summary, then, data in the KPCC presentation were corrected both to agree with University of Alaska data and adjusted to drop the non-homogenous 1,594 credit hours so that non-prejudiced comparisons could be possible. With a smooth "Real" figure of 5,639 credit hours (7,233 - 1,594) valid comparisons with previous and subsequent periods could be made. Dr. O'Rourke was correct in his use of the raw figures and we feel we were correct in our use of the homogenous data just so long as each explains his position.

As to the second question, someone had been provided an erroneous total. You spoke of the FY-75 KPCC Budget figure of \$263,600 that was quoted. This amount refers to academic programs and direct support only. It does not include \$127,406 of State Vocational Education Memoranda of Agreement and \$49,400 from the Borough School District for a revised total of \$440,406 for that year.

It is possible that Dr. O'Rourke has other information on this last matter. We would suggest that you might want to contact his office. What we have mentioned here reflects the best records we have at this location.

We are glad to be given the opportunity both to testify and to answer your questions. The differences between the two sets of testimony depends on the perspective of the person presenting the facts. It is well known that each of us sees the truth through his own eyes.

Respectfully yours,



John G. Wilsey, Ed.D.  
Campus President

JGW:gdf



UNIVERSITY OF ALASKA  
Statewide System of Higher Education  
Fairbanks, Alaska 99701

February 20, 1979

The Honorable Thelma Buckholdt, Chairman  
Health, Education and Social Services Committee  
Alaska State Legislature  
Pouch V  
Juneau, Alaska 99811

Dear Representative Buckholdt:

This letter is to present the position of the University of Alaska with respect to House Bill 121, a copy of which is attached for convenient reference. Ms. Shannon Garrett on your staff telephoned me this morning and asked me to make this submission.

The proposed \$450,000 special appropriation for the Kenai Peninsula Community College is not justified and should not be provided, in the opinion of the Board of Regents, the University President, the Chancellor of the Community Colleges and the undersigned.

My understanding of why the above-named persons oppose the attached legislation is summarized below.

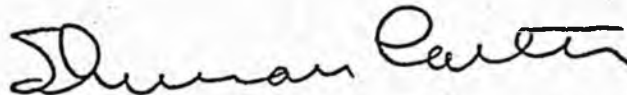
1. The unfunded needs of KPCC are no greater than the unfunded needs of other community colleges. Within the past five years, enrollment at KPCC has about doubled while financial support for KPCC has increased about five-fold. In looking at equity across the entire community college system, the Kenai Peninsula Community College has received and is receiving its fair share of the resources which have been made available to the University.
2. Providing such money would violate the entire budget process. The budgetary needs and requests of all of the community colleges were compared and evaluated by the College Presidents, the Chancellor, the University President and his staff, the Regents' Finance Committee, the Board of Regents, and by the Governor's staff.
3. The proposed special appropriation considers KPCC in isolation. If this appropriation passes, legislators whose districts include other community colleges could logically be expected to sponsor legislation to secure similar special appropriations for their respective colleges, all of which would work to the disadvantage of the entire system. This certainly is true if one considers that there is only so much money to begin with and so if something "extra" is provided for one element of the system, some other element of the system with a greater unfunded need, in

UNIVERSITY OF ALASKA

The Honorable Thelma Buckholdt  
Page 2  
February 20, 1979

the considered opinion of the Board of Regents and University  
Administration, goes without.

Sincerely,



Sherman Carter  
Vice President for Finance

SFC:lei

cc: President Diebold  
Chancellor O'Rourke  
Mr. Ron Lind  
Mr. Dave Scott

O'Rourke  
Carter  
Harrison  
Jones  
Cutter

RECEIVED

FEB - 9 1979

Funding Information  
General Fund \$450,000  
Other Funds -0-  
\$450,000

Vice President for Finance

Introduced: 2/5/79  
Referred: Health, Education &  
Social Services and Finance

1 IN THE HOUSE

BY MALONE, BRANSON AND O'CONNELL

2

HOUSE BILL NO. 121

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

ELEVENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act making a special appropriation to the University of Alaska, Kenai Peninsula Community College; and providing for an effective date."

7

8

9

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

10

\* Section 1. The sum of \$450,000 is appropriated from the general fund to the University of Alaska for the Kenai Peninsula Community College.

12

\* Sec. 2. The unexpended and unobligated portion of this appropriation lapses into the general fund June 30, 1980.

14

\* Sec. 3. This Act takes effect July 1, 1979.

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

**KENAI PENINSULA COMMUNITY COLLEGE** *file*  
*(#B 121)*

of the University of Alaska in cooperation with the Kenai Peninsula Borough School District

P.O. Box 848 ★ Scitotna, Alaska 99669 ★ 262-5801

January 26, 1979

Hon. Hugh Malone  
Alaska State Legislature  
House of Representatives  
Pouch V  
Juneau Alaska 99811

Dear Mr. Malone:

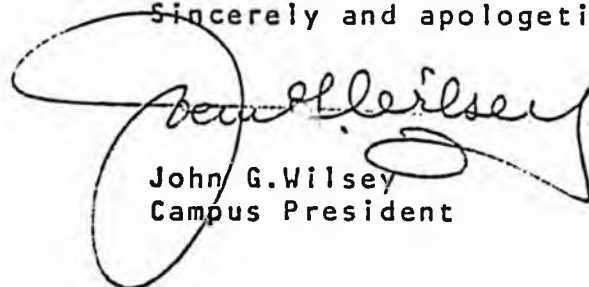
May we for the last time revise the estimate of the minimum increase in funding, over and above the present planned budget, required to provide adequate support for the present program. Your request was recieved on January 15. We were completely unable to meet the January 19 deadline you proposed.

If I were in your position, I would ask the question, "Why ask for another revision at this late date?" Briefly, here is why.

1. Dr. O'Rourke stated strongly before many people at the Policy Advisory Council meeting (attended by many faculty) that the University of Alaska could hardly object to restoration of items requested by the Board of Regents for KPCC but then removed by the Governor.  
could
2. He also stated that he/more easily favor a request for instructors and instruction than for any administration. As you know, we need both instructors and administrative support if the system is to mature and continue to offer top quality education to Alaska and Borough residents.
3. The Y.A.C.C. and C.E.T.A. have just recently offered to help us by supplying library workers for up to 18 months so a high priority has been superseded by another.
4. The new amounts seemed very realistically in line with earlier communications and the list again was held to ten items.

As a matter of fact, this latest version was drawn up with the direct help of an excellent and cooperative faculty. I am told that it has their full blessing.

Sincerely and apologetically



John G. Wilsey  
Campus President


# KENAI PENINSULA COMMUNITY COLLEGE

of the University of Alaska in cooperation with the Kenai Peninsula Borough School District

P.O. Box 848 \* Soldotna, Alaska 99669 \* 262-5801

## MEMORANDUM

To: Dr. Pat O'Rourke

From: John G. Wilsey, Campus President 

Subject: Answer to Rep. Hugh Malone's Request

Last Thursday you arrived at KPCC. I showed you a request from Rep. Hugh Malone and another message from Rep. Pat O'Connell in support of this college at the legislative level. Mr. Malone asked for a reply by January 19, 1979, a date we could not meet as we were completely tied up at that time. The proposal needed to be reviewed and revised after the P.A.C. meeting, faculty input, and your observations. After the PAC meeting--which you attended--the proposal was adjusted in line with recommendations of the PAC, the Faculty, our staff, and cues we took from you.

In my judgement, only highest priorities are listed in answering Mr. Malone's letter. A look at recent registration statistics confirms our needs. It is understood that all branches of the University are in financial straits so the request was held to a low level. As Alan Boraas pointed out, his division alone could use six instructors today. We anticipate (and ask for at this time) no expansion in the number of fields of instruction to be considered. We do hope to be able to serve those who wish to register as well as we are able in response to their demands.

Will you forward the answer to Mr. Malone's request as you see proper? Time is short if legislative action is to be taken and you know the tenor of Representative Malone's letter.

KENAI PENINSULA COMMUNITY COLLEGE

IMMEDIATE NEEDS IN PRIORITY ORDER FOR PURPOSES OF ACCREDITATION AND LONG RANGE PLANNING  
(FY-80 List for Representative Hugh Malone)

<u>Priority</u>	<u>Salary</u>	<u>Benefits</u>	<u>Item or</u> <u>Subtotal</u>	<u>Priority</u> <u>Totals</u>	<u>Running</u> <u>Totals</u>
		<u>Rate</u>			
1	Items in UA Board of Regents Budget Request but not included in Governor's Recommendations				
1.	<u>Business Manager</u>		6.0		
	To cover salary differentials				
2.	<u>Career Counselor</u>		7.5		
	To increase counselor from 3/4 to Full-Time				
3.	<u>Developmental Learning Instructor</u>		34.6		
	To reduce student failure levels resulting from low/level reading, math skills.				
4.	<u>Utilities Cost Increases</u>		23.7		
	To cover increases in utilities rates and to heat/light an additional 1800 square feet of floor space.				
5.	<u>Secretary, Instructional</u>		24.9		
	To provide secretarial services for full-time and part-time instructors				
				96.7	96.7

To restore items eliminated from the University of Alaska Budget Request by the Governor's recommendations. Further details are included in U.A. Budget Request submitted to the Governor.

Priority	Salary	Benefits Rate	Subtotal	Totals	Totals
II <u>Psychology/Sociology/History Instructor (Instruction)</u>					
A. Personal Services (F-T)	28,680	19% 5,440	34,120		
B. Travel			100		
C. Contractual			100		
D. Commodities			200		
E. Equipment			1,400		
F. Miscellaneous			400	36.3	133.0

Nine Social/Behavioral Sciences (Psychology, Sociology, History, etc.) courses were taught during the Fall Semester of 1978 alone by part-time (one course) instructors. Instructor would teach 8-10 courses per year. Part-Time Instruction is excellent and less expensive, but it allows no time for curriculum/program development, consultation with students, advisement, division chairmanship, etc. or other important ancillary tasks assume by full-time faculty.

III <u>Business Management/Office Occupations Instructor (Instruction)</u>					
A. Personal Services (F-T)	28,680	19% 5,440	34,120		
B. Travel			300		
C. Contractual			200		
D. Commodities			300		
E. Equipment			1,200		
F. Miscellaneous			400	36.5	169.5

Would teach accounting, employee supervision, office management, secretarial skills, marketing, personnel management, finance, etc. Requests are received from industry for middle-management programs. Local employees and KPCC should then receive jobs as supervisors, foremen, etc. now awarded to outsiders. Business/Industrial Personnel Supervision curricula are undeveloped due to understaffing but have tremendous potential in earning power, employment upgrading, and keeping money in the state. Secretarial skills especially for executive - medical - legal - secretaries and administrative assistants are in consistent demand. Classes are restricted due to lack of instructors and space to accommodate students. Instructor also would teach office skills, accounting, personnel, small business courses, etc. and would serve local institutions - industry, government, native associations with workshops, small business seminars and conferences, etc.

<u>Priority</u>	<u>Salary</u>	<u>Benefits</u> Rate		<u>Item or</u> <u>Subtotal</u>	<u>Priority</u> <u>Totals</u>	<u>Running</u> <u>Totals</u>
IV. <u>Math/Science Instructor (Instruction)</u>						
A. Personal Services (F-T)	28,680	19%	5,440	34,120		
B. Travel				100		
C. Contractual				100		
D. Commodities				200		
E. Equipment				1,400		
F. Miscellaneous				400	36.3	205.8

Instructor would teach 8-10 Math/Science classes per year. Besides Math would teach chemistry and other science subjects as needed, including for Applied Science and Technology areas. Preferably practically oriented. As programs become more sophisticated and demanding both industrial/business and college-transfer programs require greater mathematical skills. At present, one part-time instructor must be assisted on an emergency basis by others as possible especially in upgrading lower level college math capabilities. Four extra sections of math are needed each semester since Fall, 1978 and advanced courses have not been able to be offered. Part-time math instructors for daytime classes are difficult or impossible to locate.

V. <u>Humanities Instructor (Instruction)</u>						
A. Personal Services	28,680	19%	5,440	34,120		
B. Travel				100		
C. Contractual				100		
D. Commodities				200		
E. Equipment				1,400		
F. Miscellaneous				400	36.3	242.1

Instructor would teach 8-10 Humanities classes per year. Humanities credits are required for graduation. In addition they are important for cultural upgrading of the community. Thus Humanities carries high values to all students. A carefully selected Instructor could develop and teach sequences in music, art, literature, philosophy, and logic etc. while also teaching sensitivity training to applied sciences and technology students. During the 1978-79 year, 24 Humanities courses were taught by part-time instructors. The entire Humanities program needs systematization, development and expansion to meet student needs.

<u>Priority</u>		<u>Salary</u>	<u>Benefits</u> Rate		<u>Item or</u> <u>Subtotal</u>	<u>Priority</u> <u>Totals</u>	<u>Running</u> <u>Totals</u>
VI	<u>Registrar's Office (Student Services)</u>						
	A. Personal Services						
	1. Registrar/Records/Office (F-T)	29,700	19%	5,650	35,350		
	2. Registration Labor Pool (P-T)	1,500	7.5%	110	1,610		
	B. Travel				900		
	C. Contractual				7,100		
	D. Commodities				950		
	E. Equipment				5,400		
	F. Miscellaneous				200	51.5	293.6

Registrar and Records Officer would be in charge of admissions, inter-college transcripts, communications, financial aids, class schedules, registration procedures and processes, voluminous statistical reports, grant-proposal writing, computers and ISIS functions, student activities, coordination, transcript evaluations. Would also serve as Public Relations Coordinator, be responsible for publications, the KPCC catalogue, financial aids, placement, brochures, radio and media advertising, student orientation and handbook, EEO/AA Officer, etc. KPCC has no Registration Officer at this time.

VII	<u>Accounting Clerk (Administration)</u>						
	A. Personal Services (F-T)	15,000	23%	3,450	18,450		
	B. Travel				-0-		
	C. Contractual				-0-		
	D. Commodities				300		
	E. Equipment				500		
	F. Miscellaneous				400	19.7	313.3

Would assist the Accounting Department in bookkeeping, billings, accounts payable/receivable, inventory control, reporting, etc. A single junior accountant now must handle all details: cashing, reporting, reconciling, depositing, accounting for receivables/payables, State and Federal assistance, students accounts, financial aids, etc. for about \$1,500,000-\$2,000,000 in State Budget and restricted funds. Would require skills and experience in bookkeeping, typing, computer operations, accounts receivable/payable.

<u>Priority</u>		<u>Salary</u>	<u>Benefits</u> Rate	\$	<u>Item or Subtotal</u>	<u>Priority Totals</u>	<u>Running Totals</u>
VIII	<u>Outreach/Special Programs (Instruction)</u>						
	A. Personal Services						
	1. Director/Instructor (½ T)	14,340	19%	2,720	17,120		
	2. Coordinator/Clerk - Homer/Seward)	5,600	7.5%	210	6,020		
	3. 2 ea. @ ¼ time)						
	3: On-Site Instruction (20 P-T)	33,570	7.5%	2,520	36,090		
	B. Travel				1,200		
	C. Contractual				-0-		
	D. Commodities				400		
	E. Equipment				1,200		
	F. Miscellaneous				400	60.2	373.5

Higher education would be offered to Borough areas not now possible to serve. Total Borough population is estimated at 25,281 (October, 1978, Borough). Some 12300 live within what is considered commuting distance. About 13,000 residents live beyond convenient commuting distance. Also, only skeleton schedules now can be offered at Homer, Seward and North Kenai if campus is to continue to receive adequate service. Demand is increasing at outlying areas as well as on the central campus. Director would arrange and supervise off-campus (8 locations) courses, evaluate instructors, arrange workshops, seminars. Coordinator-clerks at Homer and Seward now financed out of part-time instructors would be funded.

IX	<u>Dean of Instruction (Instructional Support)</u>						
	A. Personal Services	38,000	19%	7,220	45,220		
	B. Travel				800		
	C. Contractual				2,000		
	D. Commodities				500		
	E. Equipment				1,200		
	F. Miscellaneous				200	49.9	423.4

Control, Coordination, and program development functions would be assumed by a highly qualified Dean. Scheduling, curriculum development, instructor supervision, employee management and selection procedures, budgeting, and all other (multitude) of instructional support tasks would fall to the Dean. At present Campus President acts as Dean (20 professional faculty/counselors/librarian, 5 classified staff, 55 part time faculty per semester) along with all other supervisory, creative, college-community relations, etc. duties. Instructors overworked with duties would be released to teaching activities.

<u>Priority</u>		<u>Salary</u>	<u>Benefits</u>	<u>Item or.</u>	<u>Priority</u>	<u>Running</u>
			<u>Rate</u>	<u>Subtotal</u>	<u>Totals</u>	<u>Totals</u>
X	<u>Maintenance/Custodian/Groundskeeper (Physical Plant)</u>					
A.	Personal Services					
	i. Custodian (F-T)	16,100	23%	4,830	20,930	
	2. Custodian (1/6-T)	2,680	23%	620	3,300	
B.	Travel				-0-	
C.	Contractual				500	
D.	Commodities				500	
E.	Equipment				1,800	
F.	Miscellaneous				100	
					27.1	450.5

To maintain 30,800 square feet (4 buildings) and about 10 acres of immediate campus plus outdoor classrooms, nature trails, fire training areas, etc. (Total controlled campus, 340 acres.) KPCC has 1 5/6 custodial personnel to handle all duties. There is no coverage from 2-10 PM daily, no allowance for emergencies, extra snow shoveling, maintenance of park or grounds, weekend security, etc. Pre- and post-class hours must be utilized for cleaning of spaces and provision of safety. During Annual Summer Leave there is no maintenance or custodial coverage as one custodian works only 10 months. No custodial help at all is available for special summer maintenance tasks, summer school classroom cleaning, office area upkeep, lawn mowing and cleanup, parks and trails. This would be self-financing in less than two years assuming present costs continue.

KENAI PENINSULA COMMUNITY COLLEGE  
 IMMEDIATE NEEDS IN PRIORITY ORDER FOR PURPOSES OF ACCREDITATION AND LONG RANGE PLANNING  
 (FY-80 List for Representative Hugh Malone)  
 Summary of Funding Sources, Totals, Non-Recurring and Net Costs in Ensuing Year by Component and Percent

Priority	Item	General Funding	Tuition, Etc.	Priority Total	Running Total	Non- Recurring Costs	Est. Net Costs FY-81 (GF)	Instruction	Academic Support	Student Services	Adminis- tration	Physical Plant
		a.	b.	(a+b)	(d+a+b)	e.	(a+e)	g.	h.	i.	j.	k.
I	A. Business Manager, Salary Differential	6.0	0	0	0	0	0	0	0	0	6.0	0
	B. Career Counselor	7.5	0	0	0	0	0	0	0	7.5	0	0
	C. Developmental Instructor	27.9	6.7	0	0	0	0	34.6	0	0	0	0
	D. Utilities Costs	23.7	0	0	0	0	0	0	0	0	0	23.7
	E. Secretary, Instructional	24.9	0	96.7	96.7	0	90.0	24.9	0	0	0	0
II	Psy/Soc/Hist Instructor	34.5	1.8	36.3	133.0	1.2	33.3	36.3	0	0	0	0
III	Bus Mgt/Office Occ Instr	28.8	7.7	36.5	169.5	1.0	27.8	36.5	0	0	0	0
IV	Math/Science Instructor	31.3	5.0	36.3	205.8	1.2	30.1	36.3	0	0	0	0
V	Humanities Instructor	30.6	5.7	36.3	242.1	1.2	29.4	36.3	0	0	0	0
VI	Registrar Office	51.5	0	51.5	293.6	7.1	44.4	0	0	51.5	0	0
VII	Accounting Clerk	19.7	0	19.7	313.3	.3	19.4	0	0	0	19.7	0
VIII	Outreach Instruction	44.4	18.0	62.4	375.7	0	44.4	39.3	23.1	0	0	0
IX	Dean of Instruction	49.9	0	49.9	425.6	1.0	48.9	0	49.9	0	0	0
X	Maintenance/Custodian	27.1	0	27.1	452.7	1.8	25.3	0	0	0	0	27.1
TOTALS		407.8	44.9	452.7		14.8	393.0	244.2	73.0	59.0	25.7	50.8
PERCENTAGE		90.1	9.9	100.0		3.3		53.9	16.1	13.1	5.7	11.2

10



# RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James O. Smith  
Signature of Camera Operator

3/8/90  
Date

(11)

# COMMITTEE REPORT HOUSE

1/21/80

FURTHER:

Date: 5/13/80

Mr. Speaker:

(Taken From Rules 1/21/80)

The Committee on FINANCE has had SSJB 123

"An Act relating to assessment of property used in connection with exploration for gas and oil."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass  do not pass
- do pass with attached amendments(s)
- replace with CS for SSJB 123 (Finance)  same title  
 new title
- and recommends individual rec.
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation
- referred to the \_\_\_\_\_ Committee

**MEMBERS SIGNING  
DO PASS**

Freeman

Wick

[Signature]

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**MEMBERS HAVING  
OTHER RECOMMENDATIONS:**

McKinnon - No Rec

Smith - Do Not Pass

Royce - Do Not Pass

Gj - No Rec

\_\_\_\_\_

\_\_\_\_\_

Freeman  
Vice CHAIRMAN

Original sponsor: Chatterton

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 123 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to assessment of property used in  
7 connection with exploration for and development of gas  
8 or oil; and providing for an effective date."

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

10 \* Section 1. AS 43.56.060(c) is amended to read:

11 (c) The full and true value of taxable property used or committed  
12 by contract or other agreement for use in the exploration for and de-  
13 velopment of gas or unrefined oil, or in the operation or maintenance o  
14 facilities for the exploration for and development of gas or unrefined  
15 oil, is the estimated price which the property would bring in an open  
16 market and under the then prevailing market conditions in a sale betwee  
17 a willing seller and a willing buyer both conversant with the property  
18 and with prevailing general price levels. However, the cost of trans-  
19 portation may not be included as an element of the estimated price of  
20 tangible personal property if

21 (1) the property is of a type normally moved from site to  
22 site during its useful life; and

23 (2) the estimated price is determined by a method other than  
24 the use of comparable sales.

25 \* Sec. 2. This Act takes effect January 1, 1981.

Original sponsor: Chatterton

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 123 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to assessment of property used in  
7 connection with exploration for and development of gas  
8 or oil; and providing for an effective date."

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

10 \* Section 1. AS 43.56.060(c) is amended to read:

11 (c) The full and true value of taxable property used or committed  
12 by contract or other agreement for use in the exploration for and de-  
13 velopment of gas or unrefined oil, or in the operation or maintenance of  
14 facilities for the exploration for and development of gas or unrefined  
15 oil, is the estimated price which the property would bring in an open  
16 market and under the then prevailing market conditions in a sale between  
17 a willing seller and a willing buyer both conversant with the property  
18 and with prevailing general price levels. However, the cost of trans-  
19 portation may not be included as an element of the estimated price of  
20 tangible personal property if

21 (1) the property is of a type normally moved from site to  
22 site during its useful life; and

23 (2) the estimated price is determined by a method other than  
24 the use of comparable sales.

25 \* Sec. 2. This Act takes effect January 1, 1981.

AMENDMENT I

OFFERED IN THE HOUSE

BY: Chatterton

To: House Finance Comm. HOUSE BILL No. C555 HR 123

SENATE BILL No. \_\_\_\_\_

PAGE: 1

LINES: 7, 12 & 14

*inc*

Page 1 - Line 12

After the word "for" & before the word "gas" - Add: and development of

Page 1 - Line 14

After the word "for" & before the word "gas" - Add: and development of

Page 1 - Line 7

After the word "for" & before the word "gas" - Add: and development of

Original sponsor: Chatterton

Offered: 3/13/79  
Referred: Rules

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 123

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to assessment of property used in  
7 connection with exploration for gas or oil; and pro-  
8 viding for an effective date."

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

10 \* Section 1. AS 43.56.060(c) is amended to read:

11 (c) The full and true value of taxable property used or committed  
12 by contract or other agreement for use in the exploration for gas or  
13 unrefined oil, or in the operation or maintenance of facilities for the  
14 exploration for gas or unrefined oil, is the estimated price which the  
15 property would bring in an open market and under the then prevailing  
16 market conditions in a sale between a willing seller and a willing buyer  
17 both conversant with the property and with prevailing general price  
18 levels. However, the cost of transportation may not be included as an  
19 element of the estimated price of tangible personal property if

20 (1) the property is of a type normally moved from site to  
21 site during its useful life; and

22 (2) the estimated price is determined by a method other than  
23 the use of comparable sales.

24 \* Sec. 2. This Act takes effect January 1, 1980.

THE ECONOMIC EFFECTS OF ALASKA'S INVESTMENT  
AND  
EXPENDITURE POLICIES

Several major policies regarding the investment and distribution of Alaska's oil wealth have recently been enacted by the Alaska Legislature and a few more are likely to emerge before the session adjourns. These historic policies include major refunds of personal income taxes, substantial cash distributions from the permanent fund, a massive countercyclical capital construction program and major revisions in the State's investment practices. Not only are each of these initiatives significant in their own right but they also cumulatively combine to have a potentially profound effect on the Alaska economy and they may well also serve as precedents for future state policies.

Underlying several of these policies is the implicit expectation that they will stimulate a lagging state economy and serve to sustain an increased level of economic activity. As a direct result of these policies approximately two billion dollars of new money will enter the Alaska economy. In a state whose total gross state product was only several billion dollars just a few years ago, the economic effects of this major infusion of cash will be substantial; but how substantial and with what effect we do not know.

To determine how much money is actually added to and stays in the Alaska economy and to ascertain how it effects the economy are vital to the legislature's ability to assess the outcome of its policies. A comprehensive and objective research effort is needed to provide this information. Such an effort should produce a data base and the measures by which the legislature can assess how each of these major policies have effected changes in:

- A) income (both personal and business)
- B) employment levels (both industry and occupation)
- C) prices (of both goods and capital)
- D) saving and investments.

Because of the lag in getting funds distributed and capital projects

undertaken, to capture the full effects of these policies requires that the effort be in two phases of one year each. In the initial phase the baseline from which the effects will be measured should be developed and the immediate economic effects identified and measured. The second phase would capture and analyze the major impacts of each of the policies. A planned outcome of the research effort would be the design of a method by which the Legislature can continue to periodically monitor the economic effects of subsequent State investments, distributions and expenditures.

An appropriation of \$200,000 is hereby authorized as a grant to the Institute of Social and Economic Research of the University of Alaska to undertake and complete the first phase of this research effort.

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSSS HB 123

Title Relating to assessment of property used in exploration for gas or oil

Requested by \_\_\_\_\_ Date \_\_\_\_\_

II. FISCAL DETAIL

Agency Affected Department of Revenue

Program Category Affected General Government

BRU, Program, or Subprogram(s) Affected Petroleum Revenue

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

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
200 TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
300 CONTRACTUAL	-0-	-0-	-0-	-0-	-0-	-0-
400 COMMODITIES	-0-	-0-	-0-	-0-	-0-	-0-
500 EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
700 GRANTS, CLAIMS, ETC.	-0-	-0-	-0-	-0-	-0-	-0-
<b>TOTAL</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>

FUNDING (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER (Specify Fund Source)	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS

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

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

The proposed bill would reduce revenue by eliminating about \$17,150,000 from the assessed value of drilling rigs in Alaska. This decrease in value would produce a decrease of \$343,000 in AS 43.56 taxes shared fairly evenly between the State and several eligible municipalities.

IV. DATE 1/22/80

PREPARED BY \_\_\_\_\_

*Robert M. Johnson*

AGENCY \_\_\_\_\_

Department of Revenue

PHONE \_\_\_\_\_

276-1363

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSSS HB 123

Title Relating to assessment of property used in exploration for gas or oil

Requested by \_\_\_\_\_ Date \_\_\_\_\_

II. FISCAL DETAIL

Agency Affected Department of Revenue

Program Category Affected General Government

BRU, Program, or Subprogram(s) Affected Petroleum Revenue

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

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
200 TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
300 CONTRACTUAL	-0-	-0-	-0-	-0-	-0-	-0-
400 COMMODITIES	-0-	-0-	-0-	-0-	-0-	-0-
500 EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
700 GRANTS, CLAIMS, ETC.	-0-	-0-	-0-	-0-	-0-	-0-
<b>TOTAL</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>

FUNDING (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER (Specify Fund Source)	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS

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

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

The proposed bill would reduce revenue by eliminating about \$17,150,000 from the assessed value of drilling rigs in Alaska. This decrease in value would produce a decrease of \$343,000 in AS 43.56 taxes shared fairly evenly between the State and several eligible municipalities.

IV. DATE 1/22/80

PREPARED BY

  
Robert M. Johnson

AGENCY

Department of Revenue

PHONE

276-1363

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

# **CORRECTION**

**THIS DOCUMENT  
HAS BEEN REPHOTOGRAPHED  
TO ASSURE LEGIBILITY**

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSSS HB 123

Title Relating to assessment of property used in exploration for gas or oil

Requested by \_\_\_\_\_ Date \_\_\_\_\_

II. FISCAL DETAIL

Agency Affected Department of Revenue

Program Category Affected General Government

BRU, Program, or Subprogram(s) Affected Petroleum Revenue

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

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
200 TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
300 CONTRACTUAL	-0-	-0-	-0-	-0-	-0-	-0-
400 COMMODITIES	-0-	-0-	-0-	-0-	-0-	-0-
500 EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
700 GRANTS, CLAIMS, ETC.	-0-	-0-	-0-	-0-	-0-	-0-
<b>TOTAL</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>

FUNDING (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER (Specify Fund Source)	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS

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

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

The proposed bill would reduce revenue by eliminating about \$17,150,000 from the assessed value of drilling rigs in Alaska. This decrease in value would produce a decrease of \$343,000 in AS 43.56 taxes shared fairly evenly between the State and several eligible municipalities.

IV. DATE 1/22/80

PREPARED BY

  
Robert M. Johnson

AGENCY

Department of Revenue

PHONE

276-1363

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

The goals of the Petroleum Revenue DRU are to administer state taxes on oil and gas production, which includes the State oil and gas property tax, oil and gas production tax and the oil and gas corporate income tax, and also to coordinate with local governments also taxing that property. The Division of Petroleum Revenue also generates revenue estimates for the State of projected oil and gas related revenues.

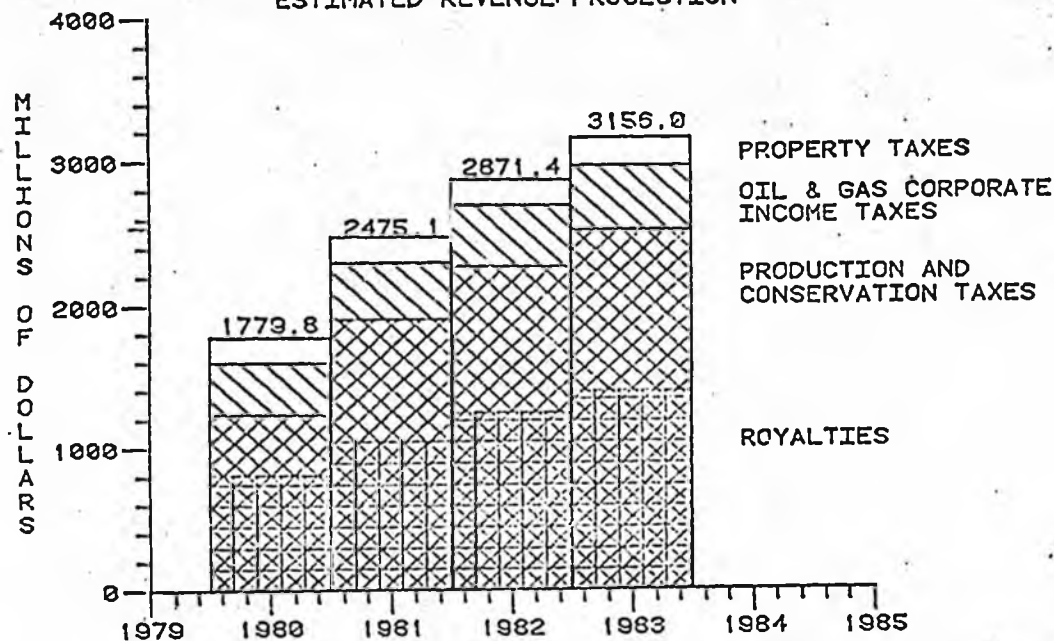
STATE OF ALASKA -- BUDGET UNIT SUMMARY

CATEGORY: GENERAL GOVERNMENT  
AGENCY: DEPARTMENT OF REVENUE

PROGRAM: REVENUE OPERATIONS

COMPONENT DESCRIPTION	79 AUTH	79 FINAL	79 ACT	80 AUTH	80 SUPL	80 RP	81 CONT.	REQUEST	GOVERNOR	HOUSE	SENATE
PETROLEUM REVENUE	1279.6	1240.1	1187.3	1435.0			1387.1	1387.1	1447.2		
<b>NM TOTAL</b>	<b>1279.6</b>	<b>1240.1</b>	<b>1187.3</b>	<b>1435.0</b>			<b>1387.1</b>	<b>1387.1</b>	<b>1447.2</b>		
<b>NM CHANGE VERSUS 80 AUTH</b>							<b>-3.3%</b>	<b>-3.3%</b>	<b>0.8%</b>	<b>-100.0%</b>	<b>-100.0%</b>
<b>OBJECT DESCRIPTION</b>											
PERS. SERV.	821.3	781.3	780.7	1005.4			929.9	929.9	990.0		
TRAVEL	88.0	87.0	76.3	93.3			99.8	99.8	99.8		
CONTRACTUAL	350.5	333.5	297.6	326.9			348.0	348.0	348.0		
COMMODITIES	11.0	11.0	6.6	9.4			9.4	9.4	9.4		
EQUIPMENT	8.8	25.8	26.1								
<b>FUNDING SOURCE</b>											
GENERAL FUND	1279.6	1240.1	1187.3	1435.0			1387.1	1387.1	1447.2		
<b>NM GENERAL FUND CHANGE VS. 80 AUTH</b>							<b>-3.3%</b>	<b>-3.3%</b>	<b>0.8%</b>	<b>-100.0%</b>	<b>-100.0%</b>
<b>POSITIONS</b>											
FULL-TIME	26.3	26.0	26.0	27.0			25.0	25.0	25.0		
STAFF MONTHS	312.0	312.0	312.0	324.0			300.0	300.0	300.0		

PETROLEUM REVENUE  
ESTIMATED REVENUE PROJECTION



FISCAL YEARS

(FROM THE FY 81 BUDGET)

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSSS HB 123

Title Relating to assessment of property used in exploration for gas or oil

Requested by \_\_\_\_\_ Date \_\_\_\_\_

II. FISCAL DETAIL

Agency Affected Department of Revenue

Program Category Affected General Government

BRU, Program, or Subprogram(s) Affected Petroleum Revenue

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

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
200 TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
300 CONTRACTUAL	-0-	-0-	-0-	-0-	-0-	-0-
400 COMMODITIES	-0-	-0-	-0-	-0-	-0-	-0-
500 EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
700 GRANTS, CLAIMS, ETC.	-0-	-0-	-0-	-0-	-0-	-0-
<b>TOTAL</b>	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER (Specify Fund Source)	-0-	-0-	-0-	-0-	-0-	-0-


POSITIONS

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

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

The proposed bill would reduce revenue by eliminating about \$17,150,000 from the assessed value of drilling rigs in Alaska. This decrease in value would produce a decrease of \$343,000 in AS 43.56 taxes shared fairly evenly between the State and several eligible municipalities.

IV. DATE 1/22/80

PREPARED BY   
AGENCY Department of Revenue  
PHONE 276-1363

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

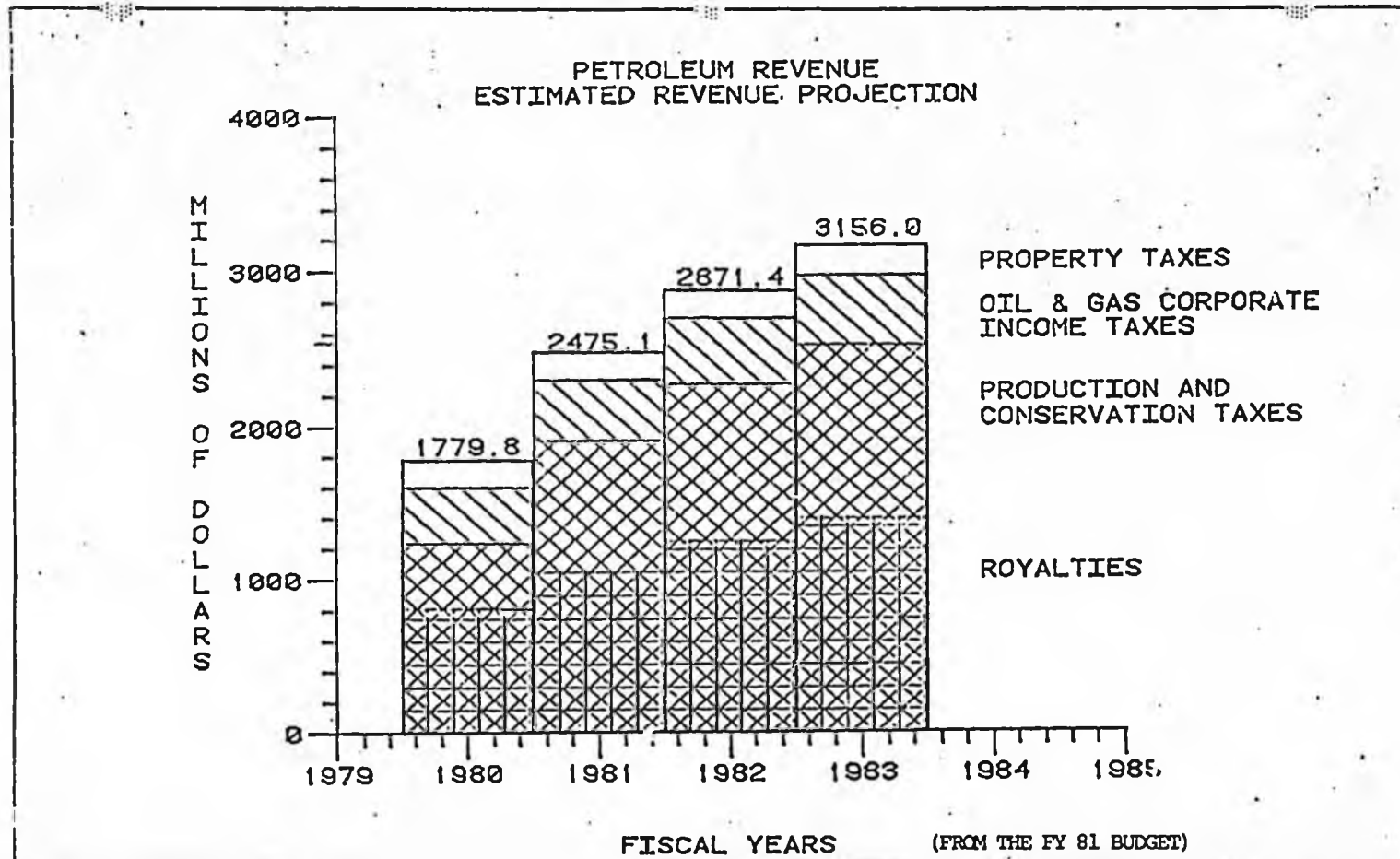
The goals of the Petroleum Revenue BRU are to administer state taxes on oil and gas production, which includes the State oil and gas property tax, oil and gas production tax and the oil and gas corporate income tax, and also to coordinate with local governments also taxing that property. The Division of Petroleum Revenue also generates revenue estimates for the State of projected oil and gas related revenues.

STATE OF ALASKA -- BUDGET UNIT SUMMARY

CATEGORY: GENERAL GOVERNMENT  
 AGENCY: DEPARTMENT OF REVENUE

PROGRAM: REVENUE OPERATIONS

COMPONENT DESCRIPTION	79 AUTH	79 FINAL	79 ACT	80 AUTH	80 SUPL	80 RP	81 CONT.	REQUEST GOVERNOR	HOUSE	SENATE
PETROLEUM REVENUE	1279.6	1240.1	1187.3	1435.0			1387.1	1387.1	1447.2	
** TOTAL	1279.6	1240.1	1187.3	1435.0			1387.1	1387.1	1447.2	
** CHANGE VERSUS 80 AUTH							-3.3%	-3.3%	0.8%	-100.0%
OBJECT DESCRIPTION										
PERS. SERV.	821.3	781.8	780.7	1005.4			929.9	929.9	990.0	
TRAVEL	88.0	88.0	76.3	93.3			99.8	99.8	99.8	
CONTRACTUAL	350.5	333.5	297.6	326.9			348.0	348.0	348.0	
COMMODITIES	11.0	11.0	6.6	9.4			9.4	9.4	9.4	
EQUIPMENT	8.8	25.8	26.1							
FUNDING SOURCE										
GENERAL FUND	1279.6	1240.1	1187.3	1435.0			1387.1	1387.1	1447.2	
** GENERAL FUND CHANGE VS. 80 AUTH							-3.3%	-3.3%	0.8%	-100.0%
POSITIONS										
FULL-TIME	26.0	26.0	26.0	27.0			25.0	25.0	25.0	
STAFF MONTHS	312.0	312.0	312.0	324.0			300.0	300.0	300.0	



STATE  
OF ALASKA

## MEMORANDUM

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

DATE : 5/18/79

FROM: Lou Nelson, Chief  
Audit Services  
Petroleum Revenue Division

SUBJECT: Attachment to Part III Analysis  
of the Fiscal Note on HB 502  
5/5/79

Following is my discussion on one facet of HB 502.

The repeal of AS 43.55.030(d) eliminates an effective civil penalty available to enforce compliance with the production tax return filing requirements.

As an example, there are oil and gas producers currently reporting production from certain leases but they are not paying any tax. This is attributable to the Kachemak Bay Credit and/or the economic limit factor computed in accordance with AS 43.55.013.

Under the conditions outlined above, the civil penalty imposed by AS 43.05.220 would be ineffective because the penalty is calculated on the unpaid tax. Therefore, the Division may encounter additional taxpayer compliance problems and find it more difficult to obtain valuable production statistics used in published reports and for forecasting purposes.

I recommend that Section 5 of HB 502 be revised as follows:

\* Sec. 5. (AS 43.55.030(d) and) AS 43.55.060(are) is repealed.

Original sponsor: Chatterton

Offered: 3/13/79  
Referred: Rules

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 123

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to assessment of property used in  
7 connection with exploration for gas or oil; and pro-  
8 viding for an effective date."

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

10 \* Section 1. AS 43.56.060(c) is amended to read:

11 (c) The full and true value of taxable property used or committed  
12 by contract or other agreement for use in the exploration for gas or  
13 unrefined oil, or in the operation or maintenance of facilities for the  
14 exploration for gas or unrefined oil, is the estimated price which the  
15 property would bring in an open market and under the then prevailing  
16 market conditions in a sale between a willing seller and a willing buyer  
17 both conversant with the property and with prevailing general price  
18 levels. However, the cost of transportation may not be included as an  
19 element of the estimated price of tangible personal property if

20 (1) the property is of a type normally moved from site to  
21 site during its useful life; and

22 (2) the estimated price is determined by a method other than  
23 the use of comparable sales.

24 \* Sec. 2. This Act takes effect January 1, 1980.

Original sponsor: Chatterton

Offered: 3/13/79  
Referred: Rules

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 123

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to assessment of property used in  
7 connection with exploration for gas or oil; and pro-  
8 viding for an effective date."

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

10 \* Section 1. AS 43.56.060(c) is amended to read:

11 (c) The full and true value of taxable property used or committed  
12 by contract or other agreement for use in the exploration for gas or  
13 unrefined oil, or in the operation or maintenance of facilities for the  
14 exploration for gas or unrefined oil, is the estimated price which the  
15 property would bring in an open market and under the then prevailing  
16 market conditions in a sale between a willing seller and a willing buyer  
17 both conversant with the property and with prevailing general price  
18 levels. However, the cost of transportation may not be included as an  
19 element of the estimated price of tangible personal property if

20 (1) the property is of a type normally moved from site to  
21 site during its useful life; and

22 (2) the estimated price is determined by a method other than  
23 the use of comparable sales.

24 \* Sec. 2. This Act takes effect January 1, 1980.

Original sponsor: Chatterton

Offered: 3/13/79  
Referred: Rules

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 123

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to assessment of property used in  
7 connection with exploration for gas or oil; and pro-  
8 viding for an effective date."

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

10 \* Section 1. AS 43.56.060(c) is amended to read:

11 (c) The full and true value of taxable property used or committed  
12 by contract or other agreement for use in the exploration for gas or  
13 unrefined oil, or in the operation or maintenance of facilities for the  
14 exploration for gas or unrefined oil, is the estimated price which the  
15 property would bring in an open market and under the then prevailing  
16 market conditions in a sale between a willing seller and a willing buyer  
17 both conversant with the property and with prevailing general price  
18 levels. However, the cost of transportation may not be included as an  
19 element of the estimated price of tangible personal property if

20 (1) the property is of a type normally moved from site to  
21 site during its useful life; and

22 (2) the estimated price is determined by a method other than  
23 the use of comparable sales.

24 \* Sec. 2. This Act takes effect ~~January 1, 1980.~~ *AS*

AMENDMENT 1

OFFERED ~~IN THE HOUSE~~

BY: Chatterton

TO: House Finance Com. HOUSE BILL No. C555 HB 123

SENATE BILL No. \_\_\_\_\_

PAGE: 1

LINES: 7, 12 & 14

Page 1 - Line 12

After the word "for" & before  
the word "gas" — Add: and development of

Page 1 - Line 14

After the word "for" & before  
the word "gas" — Add: and development of

Page 1 - Line 7

After the word "for" & before  
the word "gas" — Add: and development of

AMENDMENT 1

OFFERED ~~IN THE HOUSE~~

BY: Chatterton

To: House Finance Com. HOUSE BILL No. 2555 H.B. 123

SENATE BILL No. \_\_\_\_\_

PAGE: 1

LINES: 7, 12 & 14

Page 1 - Line 12

After the word "for" & before  
the word "gas" - Add: and development of

Page 1 - Line 14

After the word "for" & before  
the word "gas" - Add: and development of

Page 1 - Line 7

After the word "for" & before  
the word "gas" - Add: and development of

AMENDMENT 1

OFFERED ~~IN THE HOUSE~~

By: Chatterton

To: House Finance Com. HOUSE BILL No. C555 HR 123

SENATE BILL No. \_\_\_\_\_

PAGE: 1

LINES: 7, 12 & 14

Page 1 - Line 12

After the word "for" & before  
the word "gas" — Add: and development of

Page 1 - Line 14

After the word "for" & before  
the word "gas" — Add: and development of

Page 1 - Line 7

After the word "for" & before  
the word "gas" — Add: and development of

AMENDMENT 1

OFFERED ~~IN THE HOUSE~~

BY: Chatterton

To: House Finance Com. HOUSE BILL No. CS SS HB 123

SENATE BILL No. \_\_\_\_\_

PAGE: 1

LINES: 7, 12 & 14

Page 1 - Line 12

After the word "for" & before  
the word "gas" — Add: and development of

Page 1 - Line 14

After the word "for" & before  
the word "gas" — Add: and development of

Page 1 - Line 7

After the word "for" & before  
the word "gas" — Add: and development of

# **CORRECTION**

**THIS DOCUMENT  
HAS BEEN REPHOTOGRAPHED  
TO ASSURE LEGIBILITY**

AMENDMENT 1

OFFERED ~~IN THE HOUSE~~

BY: Chatterton

To: House Finance Com. HOUSE BILL No. CS 55 HB 123

SENATE BILL No. \_\_\_\_\_

PAGE: 1

LINES: 7, 12 & 14

Page 1 - Line 12

After the word "for" & before  
the word "gas" — Add: and development of

Page 1 - Line 14

After the word "for" & before  
the word "gas" — Add: and development of

Page 1 - Line 7

After the word "for" & before  
the word "gas" — Add: and development of

AMENDMENT 1

OFFERED ~~IN THE HOUSE~~

BY: Chatterton

TO: House Finance Com. HOUSE BILL No. CS 55 HR 123

SENATE BILL No. \_\_\_\_\_

PAGE: 1

LINES: 7, 12 & 14

Page 1 - Line 12

After the word "for" & before  
the word "gas" — Add: and development of

Page 1 - Line 14

After the word "for" & before  
the word "gas" — Add: and development of

Page 1 - Line 7

After the word "for" & before  
the word "gas" — Add: and development of

AMENDMENT 1

OFFERED ~~IN THE HOUSE~~

By: Chatterton

To: House Finance Com. HOUSE BILL No. C555 HR 123

SENATE BILL No. \_\_\_\_\_

PAGE: 1

LINES: 7, 12 & 14

Page 1 - Line 12

After the word "for" & before  
the word "gas" — Add: and development of

Page 1 - Line 14

After the word "for" & before  
the word "gas" — Add: and development of

Page 1 - Line 7

After the word "for" & before  
the word "gas" — Add: and development of

AMENDMENT 1

OFFERED ~~IN THE HOUSE~~

By: Chatterton

To: House Finance Com. HOUSE BILL No. C 555 HR 123

SENATE BILL No. \_\_\_\_\_

PAGE: 1

LINES: 7, 12 & 14

Page 1 - Line 12

After the word "for" & before  
the word "gas" — Add: and development of

Page 1 - Line 14

After the word "for" & before  
the word "gas" — Add: and development of

Page 1 - Line 7

After the word "for" & before  
the word "gas" — Add: and development of

AMENDMENT 1

OFFERED IN THE HOUSE

By: Chatterton

To: House Finance Com. HOUSE BILL No. C555 HB 123

SENATE BILL No. \_\_\_\_\_

PAGE: 1

LINES: 7, 12 & 14

Page 1 - Line 12

After the word "for" & before  
the word "gas" — Add: and development of

Page 1 - Line 14

After the word "for" & before  
the word "gas" — Add: and development of

Page 1 - Line 7

After the word "for" & before  
the word "gas" — Add: and development of

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSSS HB 123

Title Relating to assessment of property used in exploration for gas or oil

Requested by \_\_\_\_\_ Date \_\_\_\_\_

II. FISCAL DETAIL

Agency Affected Department of Revenue

Program Category Affected General Government

BRU, Program, or Subprogram(s) Affected Petroleum Revenue

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

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
200 TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
300 CONTRACTUAL	-0-	-0-	-0-	-0-	-0-	-0-
400 COMMODITIES	-0-	-0-	-0-	-0-	-0-	-0-
500 EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
700 GRANTS, CLAIMS, ETC.	-0-	-0-	-0-	-0-	-0-	-0-
<b>TOTAL</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>

FUNDING (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER (Specify Fund Sour. #)	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS

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

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

The proposed bill would reduce revenue by eliminating about \$17,150,000 from the assessed value of drilling rigs in Alaska. This decrease in value would produce a decrease of \$343,000 in AS 43.56 taxes shared fairly evenly between the State and several eligible municipalities.

IV. DATE 1/22/80

PREPARED BY Robert M. Johnson  
AGENCY Department of Revenue  
PHONE 276-1363

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

The goals of the Petroleum Revenue BRJ are to administer state taxes on oil and gas production, which includes the State oil and gas property tax, oil and gas production tax and the oil and gas corporate income tax, and also to coordinate with local governments also taxing that property. The Division of Petroleum Revenue also generates revenue estimates for the State of projected oil and gas related revenues.

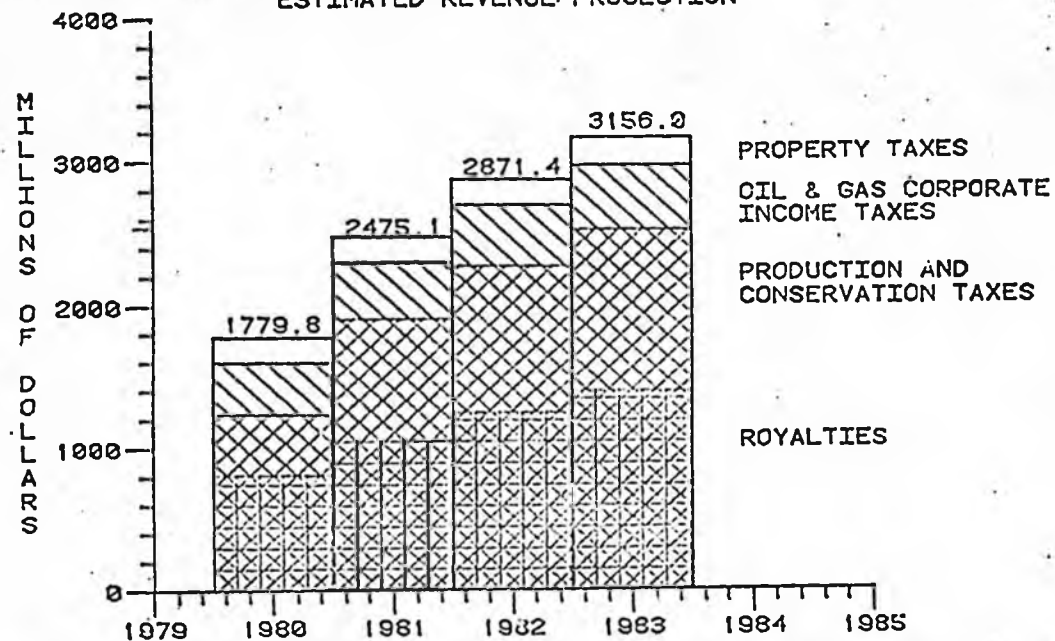
STATE OF ALASKA -- BUDGET UNIT SUMMARY

CATEGORY: GENERAL GOVERNMENT  
AGENCY: DEPARTMENT OF REVENUE

PROGRAM: REVENUE OPERATIONS

COMPONENT DESCRIPTION	79 AUTH	79 FINAL	79 ACT	80 AUTH	80 SUPL	80 RP	81 CONT.	REQUEST	GOVERNOR	HOUSE	SENATE
PETROLEUM REVENUE	1279.6	1240.1	1187.3	1435.0			1387.1	1387.1	1447.2		
** TOTAL	1279.6	1240.1	1187.3	1435.0			1387.1	1387.1	1447.2		
** CHANGE VERSUS 80 AUTH							-3.3%	-3.3%	0.8%	-100.0%	-100.0%
OBJECT DESCRIPTION											
PERS. SERV.	821.3	781.8	780.7	1005.4			929.9	929.9	990.0		
TRAVEL	88.0	88.0	76.3	93.3			99.8	99.8	99.8		
CONTRACTUAL	350.5	333.5	297.6	326.9			348.0	348.0	348.0		
COMMODITIES	11.0	11.0	6.6	9.4			9.4	9.4	9.4		
EQUIPMENT	8.8	25.8	26.1								
FUNDING SOURCE											
GENERAL FUND	1279.6	1240.1	1187.3	1435.0			1387.1	1387.1	1447.2		
** GENERAL FUND CHANGE VS. 80 AUTH							-3.3%	-3.3%	0.8%	-100.0%	-100.0%
POSITIONS											
FULL-TIME	26.0	26.0	26.0	27.0			25.0	25.0	25.0		
STAFF MONTHS	312.0	312.0	312.0	324.0			300.0	300.0	300.0		

PETROLEUM REVENUE  
ESTIMATED REVENUE PROJECTION



FISCAL YEARS

(FROM THE FY 81 BUDGET)

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSSS HB 123

Title Relating to assessment of property used in exploration for gas or oil

Requested by \_\_\_\_\_ Date \_\_\_\_\_

II. FISCAL DETAIL

Agency Affected Department of Revenue

Program Category Affected General Government

BRU, Program, or Subprogram(s) Affected Petroleum Revenue

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

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
200 TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
300 CONTRACTUAL	-0-	-0-	-0-	-0-	-0-	-0-
400 COMMODITIES	-0-	-0-	-0-	-0-	-0-	-0-
500 EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
700 GRANTS, CLAIMS, ETC.	-0-	-0-	-0-	-0-	-0-	-0-
<b>TOTAL</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>

FUNDING (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER (Specify Fund Source)	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS


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

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

The proposed bill would reduce revenue by eliminating about \$17,150,000 from the assessed value of drilling rigs in Alaska. This decrease in value would produce a decrease of \$343,000 in AS 43.56 taxes shared fairly evenly between the State and several eligible municipalities.

IV. DATE 1/22/80

PREPARED BY

  
Robert M. Johnson

AGENCY

Department of Revenue

PHONE

276-1363

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

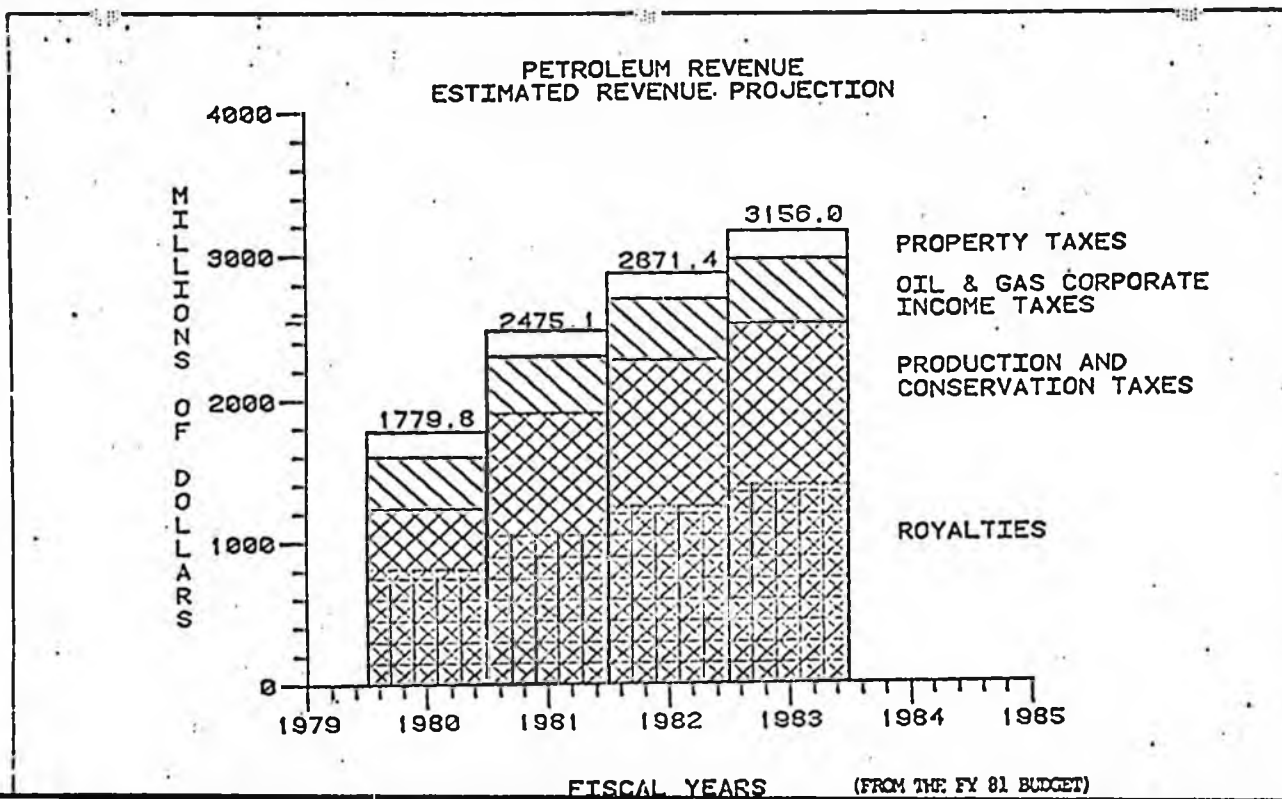
The goals of the Petroleum Revenue BRU are to administer state taxes on oil and gas production, which includes the State oil and gas property tax, oil and gas production tax and the oil and gas corporate income tax, and also to coordinate with local governments also taxing that property. The Division of Petroleum Revenue also generates revenue estimates for the State of projected oil and gas related revenues.

STATE OF ALASKA -- BUDGET UNIT SUMMARY

CATEGORY: GENERAL GOVERNMENT  
AGENCY: DEPARTMENT OF REVENUE

PROGRAM: REVENUE OPERATIONS

COMPONENT DESCRIPTION	79 AUTH	79 FINAL	79 ACT	80 AUTH	80 SUPL	80 RP	81 CONT.	REQUEST GOVERNOR	HOUSE	SENATE
PETROLEUM REVENUE	1279.6	1240.1	1187.3	1435.0			1387.1	1387.1	1447.2	
MM TOTAL	1279.6	1240.1	1187.3	1435.0			1387.1	1387.1	1447.2	
MM CHANGE VERSUS 80 AUTH							-3.3%	-3.3%	0.8%	-100.0%
OBJECT DESCRIPTION										
PERS. SERV.	821.3	781.8	780.7	1005.4			929.9	929.9	990.0	
TRAVEL	88.0	88.0	76.3	93.3			99.8	99.8	99.8	
CONTRACTUAL	350.5	313.5	297.6	326.9			348.0	348.0	348.0	
COMMODITIES	11.0	11.0	6.6	9.4			9.4	9.4	9.4	
EQUIPMENT	8.8	25.8	26.1							
FUNDING SOURCE										
GENERAL FUND	1279.6	1240.1	1187.3	1435.0			1387.1	1387.1	1447.2	
MM GENERAL FUND CHANGE VS. 80 AUTH							-3.3%	-3.3%	0.8%	-100.0%
POSITIONS										
FULL-TIME	26.0	26.0	26.0	27.0			25.0	25.0	25.0	
STAFF MONTHS	312.0	312.0	312.0	324.0			300.0	300.0	300.0	



THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSSS HB 123  
 Title Relating to assessment of property used in exploration for gas or oil  
 Requested by \_\_\_\_\_ Date \_\_\_\_\_

II. FISCAL DETAIL

Agency Affected Department of Revenue  
 Program Category Affected General Government  
 BRU, Program, or Subprogram(s) Affected Petroleum Revenue  
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
200 TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
300 CONTRACTUAL	-0-	-0-	-0-	-0-	-0-	-0-
400 COMMODITIES	-0-	-0-	-0-	-0-	-0-	-0-
500 EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
700 GRANTS, CLAIMS, ETC.	-0-	-0-	-0-	-0-	-0-	-0-
<b>TOTAL</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>

FUNDING (Thousands of Dollars)

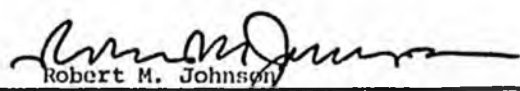
GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER (Specify Fund Source)	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS

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

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

The proposed bill would reduce revenue by eliminating about \$17,150,000 from the assessed value of drilling rigs in Alaska. This decrease in value would produce a decrease of \$343,000 in AS 43.56 taxes shared fairly evenly between the State and several eligible municipalities.

IV. DATE 1/22/80 PREPARED BY   
 AGENCY Department of Revenue  
 PHONE 276-1363  
 Original: Legislative Finance  
 cc: Budget and Management  
Prime Sponsor (First Legislator Named)

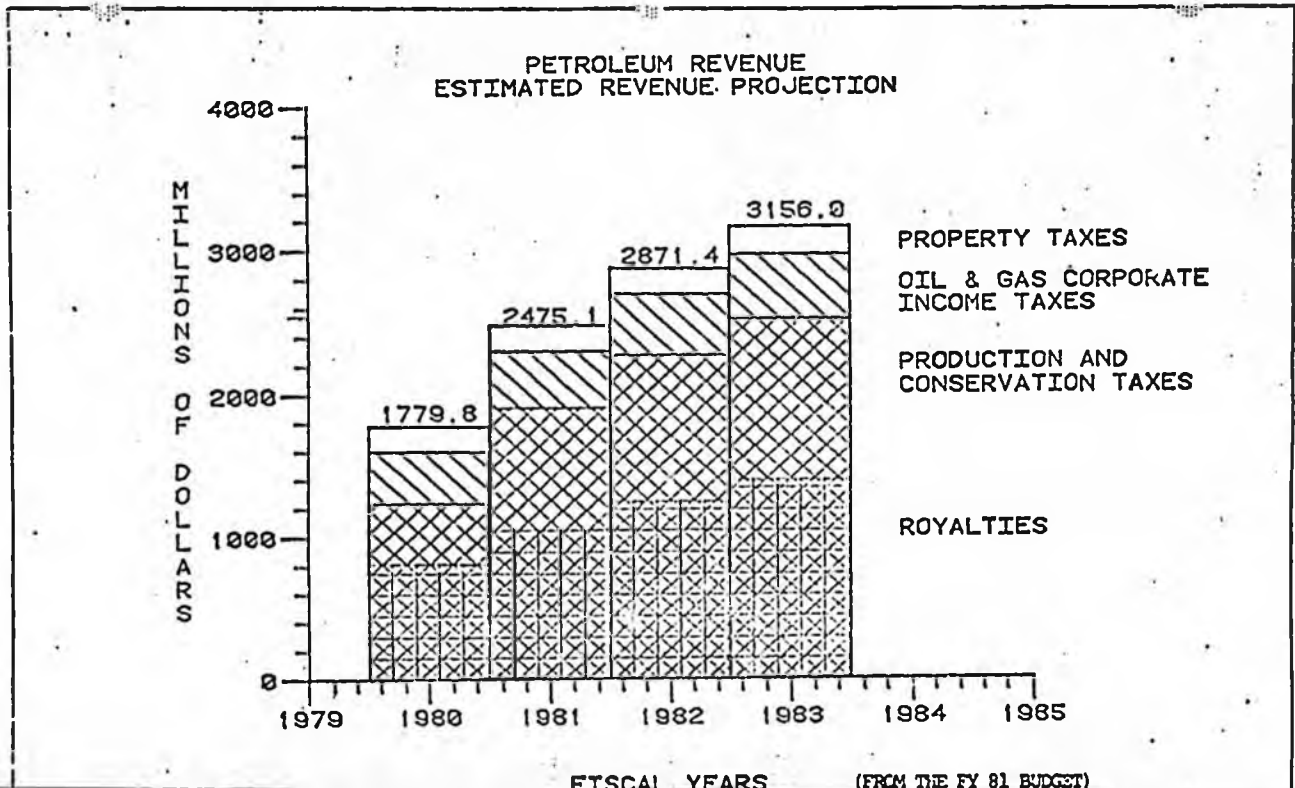
The goals of the Petroleum Revenue BRU are to administer state taxes on oil and gas production, which includes the State oil and gas property tax, oil and gas production tax and the oil and gas corporate income tax, and also to coordinate with local governments also taxing that property. The Division of Petroleum Revenue also generates revenue estimates for the State of projected oil and gas related revenues.

STATE OF ALASKA -- BUDGET UNIT SUMMARY

CATEGORY: GENERAL GOVERNMENT  
AGENCY: DEPARTMENT OF REVENUE

PROGRAM: REVENUE OPERATIONS

COMPONENT DESCRIPTION	79 AUTH	79 FINAL	79 ACT	80 AUTH	80 SUPL	80 RP	81 CONT.	REQUEST	GOVERNOR	HOUSE	SENATE
PETROLEUM REVENUE	1279.6	1240.1	1187.3	1435.0			1387.1	1387.1	1447.2		
** TOTAL	1279.6	1240.1	1187.3	1435.0			1387.1	1387.1	1447.2		
** CHANGE VERSUS 80 AUTH							-3.3%	-3.3%	0.8%	-100.0%	-100.0%
OBJECT DESCRIPTION											
PERS. SERV.	821.3	781.8	780.7	1005.4			929.9	929.9	990.0		
TRAVEL	88.0	88.0	76.3	93.3			91.8	99.8	99.8		
CONTRACTUAL	350.5	333.5	297.6	326.9			348.0	348.0	348.0		
COMMODITIES	11.0	11.0	6.6	9.4			9.4	9.4	9.4		
EQUIPMENT	8.8	25.8	26.1								
FUNDING SOURCE											
GENERAL FUND	1279.6	1240.1	1187.3	1435.0			1387.1	1387.1	1447.2		
** GENERAL FUND CHANGE VS. 80 AUTH							-3.3%	-3.3%	0.8%	-100.0%	-100.0%
POSITIONS											
FULL-TIME	26.0	26.0	26.0	27.0			25.0	25.0	25.0		
STAFF MONTHS	312.0	312.0	312.0	324.0			300.0	300.0	300.0		



THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSSS HB 123

Title Relating to assessment of property used in exploration for gas or oil

Requested by \_\_\_\_\_ Date \_\_\_\_\_

II. FISCAL DETAIL

Agency Affected Department of Revenue

Program Category Affected General Government

BRU, Program, or Subprogram(s) Affected Petroleum Revenue

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

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
200 TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
300 CONTRACTUAL	-0-	-0-	-0-	-0-	-0-	-0-
400 COMMODITIES	-0-	-0-	-0-	-0-	-0-	-0-
500 EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
700 GRANTS, CLAIMS, ETC.	-0-	-0-	-0-	-0-	-0-	-0-
<b>TOTAL</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>

FUNDING (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER (Specify Fund Source)	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS

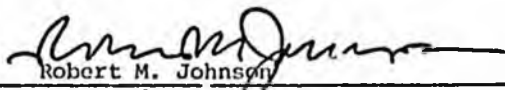
FULL TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART TIME	-0-	-0-	-0-	-0-	-0-	-0-
TEMPORARY	-0-	-0-	-0-	-0-	-0-	-0-

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

The proposed bill would reduce revenue by eliminating about \$17,150,000 from the assessed value of drilling rigs in Alaska. This decrease in value would produce a decrease of \$343,000 in AS 43.56 taxes shared fairly evenly between the State and several eligible municipalities.

IV. DATE 1/22/80

PREPARED BY

  
Robert M. Johnson

AGENCY

Department of Revenue

PHONE

276-1363

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

The goals of the Petroleum Revenue BRJ are to administer state taxes on oil and gas production, which includes the State oil and gas property tax, oil and gas production tax and the oil and gas corporate income tax, and also to coordinate with local governments also taxing that property. The Division of Petroleum Revenue also generates revenue estimates for the State of projected oil and gas related revenues.

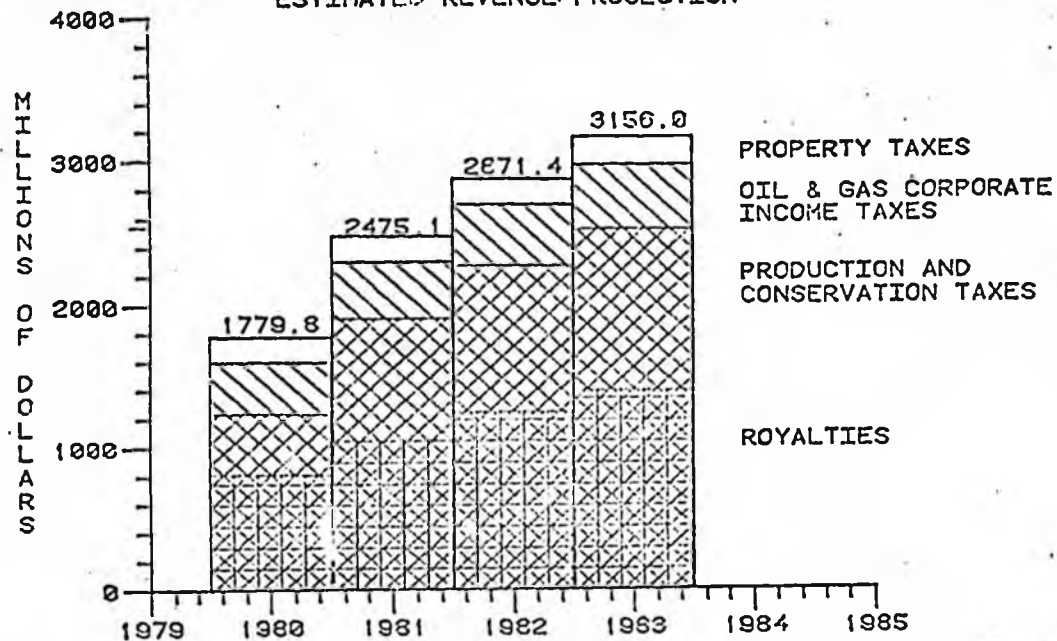
STATE OF ALASKA -- BUDGET UNIT SUMMARY

CATEGORY: GENERAL GOVERNMENT  
AGENCY: DEPARTMENT OF REVENUE

PROGRAM: REVENUE OPERATIONS

COMPONENT DESCRIPTION	79 AUTH	79 FINAL	79 ACT	80 AUTH	80 SUPL	80 RP	81 CONT.	REQUEST	GOVERNOR	HOUSE	SENATE
PETROLEUM REVENUE	1279.6	1240.1	1187.3	1435.0			1387.1	1387.1	1447.2		
** TOTAL	1279.6	1240.1	1187.3	1435.0			1387.1	1387.1	1447.2		
** CHANGE VERSUS 80 AUTH							-3.3%	-3.3%	0.8%	-100.0%	-100.0%
OBJECT DESCRIPTION											
PERS. SERV.	821.3	781.8	780.7	1005.4			929.9	929.9	990.0		
TRAVEL	88.0	88.0	76.3	93.3			99.8	99.8	99.8		
CONTRACTUAL	350.5	333.5	297.6	326.9			348.0	348.0	348.0		
COMMODITIES	11.0	11.0	6.6	9.4			9.4	9.4	9.4		
EQUIPMENT	8.8	23.8	26.1								
FUNDING SOURCE											
GENERAL FUND	1279.6	1240.1	1187.3	1435.0			1387.1	1387.1	1447.2		
** GENERAL FUND CHANGE VS. 80 AUTH							-3.3%	-3.3%	0.8%	-100.0%	-100.0%
POSITIONS											
FULL-TIME	26.0	26.0	26.0	27.0			25.0	25.0	25.0		
STAFF MONTHS	312.0	312.0	312.0	324.0			306.0	300.0	300.0		

PETROLEUM REVENUE  
ESTIMATED REVENUE PROJECTION



FISCAL YEARS

(FROM THE FY 81 BUDGET)

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST  
Bill/Resolution No. SSHB 123  
Title Act relating to assessment of property used in connection with exploration for oil  
Requested by House Resources Committee Date 2/24/79 & gas

II. FISCAL DETAIL  
Agency Affected General Government: Revenue  
Program Category Affected Revenue Collection & Management  
BRU, Program, or Subprogram(s) Affected Petroleum Revenue  
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	0	0	0	0	0	0

FUNDING (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME	0	0	0	0	0	0
PART TIME						
TEMPORARY						

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

Like the original Bill, this Sponsor Substitute would require no new expenditures for administering it; however, it would reduce State and certain municipal property tax revenues under AS 43.56.010 and AS 29.53.045, respectively (see attached).

IV. DATE 3/1/79 PREPARED BY Thomas P. Williams  
AGENCY Revenue, Petroleum Revenue Division  
PHONE 276-1363  
Original: Legislative Finance  
cc: Budget and Management  
Prime Sponsor (First Legislator Named)

Introduced: 2/23/79  
Referred: Resources

1 IN THE HOUSE

BY CHATTERTON

2 SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 123  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to assessment of property used in  
7 connection with exploration for gas or oil."

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

9 \* Section 1. AS 43.56.C50(c) is amended to read:

10 (c) The full and true value of taxable property used or committed  
11 by contract or other agreement for use in the exploration for gas or  
12 unrefined oil, or in the operation or maintenance of facilities for the  
13 exploration for gas or unrefined oil, is the estimated price which the  
14 property would bring in an open market and under the then prevailing  
15 market conditions in a sale between a willing seller and a willing buyer  
16 both conversant with the property and with prevailing general price  
17 levels. However, the cost of transportation may not be included as an  
18 element of the estimated price of tangible personal property if

19 (1) the property is of a type normally moved from site to  
20 site during its useful life; and

21 (2) the estimated price is determined by a method other than  
22 the use of comparable sales.

23  
24  
25  
26  
27  
28  
29



# RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James O. Smith  
Signature of Camera Operator

3/8/90  
Date

*New CS being prepared per Dale Staley = 4/18/88*

Original sponsor: Haugen

Funding Information  
 General Fund -0-  
 Other Funds \$62,900,000  
 \$62,900,000

1 IN THE HOUSE BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 124

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making an appropriation to the Alaska Power  
 7 Authority for power projects; and providing for an  
 8 effective date."

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

10 \* Section 1. The sum of \$43,650,000 is appropriated from the renewable  
 11 resources development fund to the Alaska Power Authority to be allocated for  
 12 the following projects:

Project	Amount
13 (1) Dillingham - Lake Elva	\$15,000,000
14 (2) Lake Tyee	15,000,000
15 (3) Susitna	10,835,000
16 (4) Haines - Dyeabus	400,000
17 (5) Mennonite Creek	200,000
18 (6) Larsen Bay	200,000
19 (7) Old Harbor	200,000
20 (8) Grant Lake	500,000
21 (9) Angoon tidal project	500,000
22 (10) Takatz	40,000
23 (11) AVEC fuel conversion project	125,000
24 (12) Elim village electrical 25 cooperative project	50,000
26 (13) Togiak village electrical 27 cooperative project	40,000
28 (14) Goodnews Bay village electrical	

1	cooperative project	45,000
2	(15) Village electrical cooperative	
3	projects in Grayling, Kaltag,	
4	Scammon Bay, Shungnak, Kiana, Ambler	165,000
5	(16) Savoonga	50,000
6	(17) White Mountain	50,000
7	(18) Buckland	50,000
8	(19) Projects in Ouzinkie, Chuathbaluk,	
9	Red Devil, Stony River, Nikolai,	
10	Hughes, Russian Mission, Crooked	
11	Creek, Sleetmute, Takotna, Telida,	
12	Koyukuk, Sheldon Point, Crater Lake	200,000

13 \* Sec. 2. The sum of \$19,250,000 is appropriated from the renewable  
14 resources development fund to the Alaska Power Authority power project  
15 revolving fund (AS 44.56.170) to be allocated as loans for the following  
16 projects:

17	Project	Amount
18	(1) Swan Lake	\$18,000,000
19	(2) Terror Lake	1,050,000
20	(3) Port Lions	200,000

21 \* Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-  
22 070(c).

# COMMITTEE REPORT HOUSE

FURTHER:

February 20, 1979

Date: \_\_\_\_\_

Mr. Speaker:

The Committee on FINANCE has had HB 124

"An Act making a special appropriation to the Department of Transportation and Public Facilities to remodel the ferry terminal at Kake to accommodate mainline ferries; eff. date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

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

MEMBERS SIGNING  
DO PASS

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

---

---

---

---

---

---

---

---

---

---



---

---

---

---

---

---

\_\_\_\_\_  
CHAIRMAN



6207  
Brodey

<u>Funding Information</u>	
General Fund	\$300,000
Other Funds	-0-
	<u>\$300,000</u>

Introduced: 2/5/79  
Referred: State Affairs and  
Finance

1 IN THE HOUSE

BY HAUGEN

2 HOUSE BILL NO. 124

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation to the Depart-  
7 ment of Transportation and Public Facilities to remodel  
8 the ferry terminal at Kake to accommodate mainline  
9 ferries; and providing for an effective date."

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

11 \* Section 1. The sum or \$300,000 is appropriated from the general fund to  
12 the Department of Transportation and Public Facilities to remodel the ferry  
13 terminal at Kake to accommodate mainline ferries.

14 \* Sec. 2. The appropriation made by this Act is for a capital project and  
15 is subject to the provisions of AS 37.25.020.

16 \* Sec. 3. This Act takes effect July 1, 1979.  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29

ALASKA STATE LEGISLATURE

ELEVENTH Legislature FIRST Session

HOUSE BILL NO. 124

By HAUGEN

"An Act making a special appropriation to the Department of Transportation and Public Facilities to remodel the ferry terminal at Kake to accommodate mainline ferries; and providing for an effective date."

Remodel ferry terminal at Kake

Introduced in the House 2-5, 1979

HISTORY IN THE HOUSE

1979	Read first time and referred to Committee on State Affairs and Finance																												
Feb. 5	Reported back with recommendation that																												
	Read second time and																												
	Read third time and																												
	<table border="0"> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> <tr> <td colspan="2">Reconsideration</td> </tr> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> <tr> <td colspan="2">Reported correctly engrossed</td> </tr> <tr> <td colspan="2">Signed by Speaker</td> </tr> <tr> <td colspan="2">Sent to Senate</td> </tr> </table>	PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused	Reconsideration		PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused	Reported correctly engrossed		Signed by Speaker		Sent to Senate	
PASS	Effective Date																												
Yeas	Yeas																												
Nays	Nays																												
Absent	Absent																												
Excused	Excused																												
Reconsideration																													
PASS	Effective Date																												
Yeas	Yeas																												
Nays	Nays																												
Absent	Absent																												
Excused	Excused																												
Reported correctly engrossed																													
Signed by Speaker																													
Sent to Senate																													
CHIEF CLERK OF THE HOUSE																													

HISTORY IN THE SENATE

19	Read first time and referred to Committee on																												
	Reported back with recommendation that																												
	Read second time and																												
	Read third time and																												
	<table border="0"> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> <tr> <td colspan="2">Reconsideration</td> </tr> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> <tr> <td colspan="2">Reported correctly engrossed</td> </tr> <tr> <td colspan="2">Signed by President</td> </tr> <tr> <td colspan="2">Returned to House</td> </tr> </table>	PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused	Reconsideration		PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused	Reported correctly engrossed		Signed by President		Returned to House	
PASS	Effective Date																												
Yeas	Yeas																												
Nays	Nays																												
Absent	Absent																												
Excused	Excused																												
Reconsideration																													
PASS	Effective Date																												
Yeas	Yeas																												
Nays	Nays																												
Absent	Absent																												
Excused	Excused																												
Reported correctly engrossed																													
Signed by President																													
Returned to House																													
SECRETARY OF THE SENATE																													

HISTORY IN THE HOUSE

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

Funding Information  
General Fund \$300,000  
Other Funds -0-  
\$300,000

Introduced: 2/5/79  
Referred: State Affairs and  
Finance

1 IN THE HOUSE

BY HAUGEN

2

HOUSE BILL NO. 124

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

ELEVENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act making a special appropriation to the Department of Transportation and Public Facilities to remodel the ferry terminal at Kake to accommodate mainline ferries; and providing for an effective date."

7

8

9

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

11

\* Section 1. The sum of \$300,000 is appropriated from the general fund to the Department of Transportation and Public Facilities to remodel the ferry terminal at Kake to accommodate mainline ferries.

12

13

14

\* Sec. 2. The appropriation made by this Act is for a capital project and is subject to the provisions of AS 37.25.020.

15

16

\* Sec. 3. This Act takes effect July 1, 1979.

17

18

19

20

21

22

23

24

25

26

27

28

29

*known*

I. REQUEST  
Bill/Resolution No. H.B. 124  
Title Kake Ferry Terminal Modification  
Requested by Haugen Date 2/5/79

II. FISCAL DETAIL  
Agency Affected DOT/PF  
Program Category Affected Design & Construction  
Budget Request Unit(s) Affected Waters & Harbors

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						

TOTAL

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

This bill cannot be analyzed with data currently available. Existing terminal may require complete redesign to accommodate main-line vessels. Also, increased cost to marine highway operating program as a result of the change in service would need to be developed. Suggest a lesser sum be appropriated for a feasibility study and cost analysis. \$20,000 should be adequate for such a study.

*FO*

IV. DATE 2/13/79 PREPARED BY Harry Keller  
AGENCY DOT/PF - D & C  
PHONE 364-2121 Ext. 231

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

FISCAL NOTE

I. REQUEST  
 Bill/Resolution No. H.B. 124  
 Title Kake Ferry Terminal Modification  
 Requested by Haugen Date 2/5/79

II. FISCAL DETAIL  
 Agency Affected DOT/PF  
 Program Category Affected Design & Construction  
 Budget Request Unit(s) Affected Waters & Harbors

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>						

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

This bill cannot be analyzed with data currently available. Existing terminal may require complete redesign to accommodate main-line vessels. Also, increased cost to marine highway operating program as a result of the change in service would need to be developed. Suggest a lesser sum be appropriated for a feasibility study and cost analysis. \$20,000 should be adequate for such a study.

(RO)

IV. DATE 2/13/79 PREPARED BY Harry Keller  
 AGENCY DOT/PF - D & C  
 Original: Legislative Finance PHONE 364-2121 Ext. 231  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)