

Leg. Finance-House & Senate Finance Comte Files (1991-1992) 883

Position Title Research Analyst III		No. of Positions 1	Range / Step 18A	Barg. Unit GG	
Time Status Seasonal	Staff Months 6	Location Juneau		Election District	
TYPE OF EXPENDITURE		Amount	Justification The duties of this position would include: analyzing bills for their potential fiscal impact on municipalities; determining the extent of any fiscal impact; consulting with specific municipalities which would be affected by a measure; preparation of the necessary fiscal note stating whether or not there would be a fiscal impact; and offering testimony at legislative committee hearings regarding any findings of municipal fiscal impact.		
Salary	21.0				
Benefits	7.9				
Premium Pay					
Other					
Total Personal Services	28.9	28.9			
Travel		1.6			
Contractual		1.5			
Commodities		1.0			
Equipment		4.3			
Other					
Total Cost		37.3			
FUNDING SOURCE FOR TOTAL COST					
Federal Receipts	1002				
G.F. Match	1003				
General Fund	1004	37.3			
I-A Receipts	1007				
CIP Receipts	1061				
Other					

**REQUEST FOR
NEW POSITION**

AGENCY Community and Regional Affairs
BRU Local Government Assistance
COMPONENT Statewide Assistance

FY 93

Page 3 of 3
Revised Date: _____

CS FOR SPONSOR SUBSTITUTE FOR SENATE BILL NO. 301 (FINANCE)

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:

Referred:

Sponsor(s): SENATORS UEHLING, Sturgulewski

A BILL

FOR AN ACT ENTITLED

1 "An Act requiring municipal fiscal notes for bills and resolutions."

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

3 * Section 1. AS 24.08.035 is amended by adding a new subsection to read:

4 (e) If a bill or resolution, except an appropriation bill, significantly increases costs to a
5 municipality, there shall be attached to the measure a municipal fiscal note containing an estimate
6 for the current fiscal year and five succeeding fiscal years of the cost to municipalities that would
7 result from enactment of the measure. If the measure does not significantly increase costs to a
8 municipality, a statement to that effect shall be attached. The last committee to which the bill
9 is referred on the day it is introduced in the house of origin shall request the municipal fiscal
10 note. It shall be prepared by the Department of Community and Regional Affairs. It shall be
11 delivered in accordance with (d) of this section within five days of the request, or within two
12 days if the request is made after the 90th day of a regular session or during a special session.
13 To the extent practicable, before delivering the fiscal note the department shall consult with
14 municipalities that would be affected by the measure. The municipal fiscal note must contain

1 information that substantially complies with (c)(1), (2), and (6) - (9) of this section.

2 * Sec. 2. AS 24.08.035(e) is repealed July 1, ~~1997.~~
1998.

CS FOR SPONSOR SUBSTITUTE FOR SENATE BILL NO. 301 (FINANCE)

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:

Referred:

Sponsor(s): SENATORS UEHLING, Sturgis, Lewski

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 7 result from enactment of the measure. If the measure does not significantly increase costs to a
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- 1 information that substantially complies with (c)(1), (2), and (6) - (9) of this section.
- 2 * Sec. 2. AS 24.08.035(e) is repealed July 1, 1998.

Included in CS(Fix)

AMENDMENT

OFFERED IN THE SENATE

BY SENATOR POURCHOT

TO; CS SS SB 301 (CRA)

PAGE 1, LINE 8

DELETE: "OF REFERRAL"

INSERT: AFTER COMMITTEE "TO WHICH THE BILL IS REFERRED ON THE DAY IT IS INTRODUCED IN THE HOUSE OF ORIGIN"



Official Business

Alaska State Legislature

P.O. Box V
State Capitol
Juneau, Alaska 99811

Letter of intent for CSSS SB 301(CRA), An Act requiring Municipal Fiscal Notes.

By the Senate Community and Regional Affairs Committee

It is the intent of the Senate Community and Regional Affairs Committee that the Senate Finance Committee consider requiring the Legislative Finance Division to produce the municipal fiscal notes described in CSSS SB 301(CRA). The Senate Community and Regional Affairs Committee believes that a municipal fiscal note could be more cost effectively provided by the Legislative finance division.

F I S C A L N O T E

REQUEST:

Revision Date: _____ Affected Agency: DC&RA
 Title: Act requiring municipal BRU: GovAssist
fiscal notes for bills and resolutions
 Sponsor: Senator Uehling Components: Statewide
 Requestor: Senate Finance 676

EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
Personal Services	29.0	29.0	30.0	30.0	31.0	31.0
Travel	1.6	1.6	1.6	1.6	1.6	1.6
Contractual						
Supplies	0.25	0.25	0.25	0.25	0.25	0.25
Equipment	3.5					
Land & Structures						
Grants, Claims						
Miscellaneous						
TOTAL OPERATING	34.35	30.85	31.85	31.85	32.85	32.85

CAPITAL						
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REVENUE						
---------	--	--	--	--	--	--

FUNDING: (THOUSANDS OF DOLLARS)

General Fund	34.35	30.85	31.85	31.85	32.85	32.85
Federal Fund						
Other						
TOTAL	34.35	30.85	31.85	31.85	32.85	32.85

POSITIONS:

Full-Time						
Part-Time	1	1	1	1	1	1
Temporary						

ANALYSIS: (ATTACH A SEPARATE PAGE IF NECESSARY)

There is no fiscal impact for the current year.

Prepared By:

Senator Pat Pourchot, Co-chairman
Senate Finance Committee

Date: 4/3/92

Phone: 465-3879

DISTRIBUTION (BY PREPARER)
LEGISLATIVE FINANCE
LEGISLATIVE SPONSOR

REQUESTOR
OFFICE OF MANAGEMENT AND BUDGET
AGENCY(IES)

FISCAL NOTE

STATE OF ALASKA
1992 LEGISLATIVE SESSION

BILL NO. CS SS SB 301

Revision Date: April 8, 1992
 Title: "An act requiring municipal fiscal notes for bills and resolutions."
 Sponsor: Senator Uehling
 Requestor: Senate C&KA Committee

Department Affected: Community and Regional Affairs
 BRU: Local Government Assistance
 Component: Statewide Assistance

COMPONENT SERIAL NO.

0	6	7	6
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EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	64.3	64.9	66.4	67.0	68.5	69.1
TRAVEL	1.7	1.7	1.7	1.7	1.7	1.7
CONTRACTUAL	3.5	3.5	3.5	3.5	3.5	3.5
SUPPLIES	1.6	0.6	0.6	0.6	0.6	0.6
EQUIPMENT	9.4	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	80.5	70.7	72.2	72.8	74.3	74.9

CAPITAL						
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REVENUE FUND SOURCE:						
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FUNDING: (Thousands of Dollars)

GENERAL FUND	80.5	70.7	72.2	72.8	74.3	74.9
FEDERAL FUNDS						
OTHER FUND SOURCE:						
TOTAL	80.5	70.7	72.2	72.8	74.3	74.9

POSITIONS:

FULL-TIME						
PART-TIME	2.0	2.0	2.0	2.0	2.0	2.0
TEMPORARY						

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary.)

This fiscal note estimates two new positions, one permanent seasonal Research Analyst III to work 8 months, and one permanent seasonal Research Analyst II to work the 6 months of the legislative session. Both positions are necessary to perform the duties required by this legislation. A separate page is attached which shows how the above figures were calculated.

Prepared By: _____
 Division: Administrative Services Division

Phone: 465-4708
 Date: _____

Approved by Commissioner: Een Berkey
 Agency: Department of Community and Regional Affairs

Date: 4-8-92

Distribution (by preparer): Leg. Fin., Legislative Sponsor, Requestor, OMB/DBR, Gov. Legis. Ofc., & Impacted Agency(ies).

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. CS SS SB 301

CALCULATION OF COSTS TO THE STATE: Includes one seasonal full-time Research Analyst III and one seasonal full-time Research Analyst II, plus operating monies.

Position	Range/Step	Barg Unit	Location	Time Status	Fiscal Year	Sal + Bens
Research Analyst III	18 A	GGU	Juneau	Seasonal 8 mos.	FY 93	\$27,980
						<u>\$10,853</u>
						<u>\$38,833</u>
(account for merit increases every other year)	18 A/B	"	"	"	FY 94	\$39,478
	18 B	"	"	"	FY 95	\$40,122
	18 B/C	"	"	"	FY 96	\$40,750
	18 C	"	"	"	FY 97	\$41,379
	18 C/D	"	"	"	FY 98	\$42,039
Research Analyst II	16 A	GGU	Juneau	Seasonal 6 mos.	FY 93	\$18,214
						<u>\$7,198</u>
						<u>\$25,412</u>
(account for merit increases every other year)	16 A	"	"	"	FY 94	\$25,412
	16 B	"	"	"	FY 95	\$26,285
	16 B	"	"	"	FY 96	\$26,285
	16 C	"	"	"	FY 97	\$27,063
	16 C	"	"	"	FY 98	\$27,063
Personal Services	1 seasonal full-time staff @ R 18 =					\$38,833
	1 seasonal full-time staff @ R 16 =					<u>\$25,412</u>
			Total			<u>\$64,245</u>
					FY 93	
Travel	1 3-day trip to Anchorage =					\$800
	1 3-day trip to Fairbanks =					<u>\$900</u>
			Total			<u>\$1,700</u>
					per year	
Contractual Services	Estimate \$2,000 per RA III =					\$2,000
	Estimate \$1,500 per RA II =					<u>\$1,500</u>
			Total			<u>\$3,500</u>
					per year	
Commodities	Estimate \$350 per RA III =					\$350
	Estimate \$250 per RA II =					\$250
	Plus \$1,000 start-up costs =					<u>\$1,000</u>
			Total		FY 93 only	<u>\$1,600</u>
						subsequently \$600 / year
Equipment	2 personal computers @ \$3,500 each =					\$7,000
	software					<u>\$2,400</u>
			Total		FY 93	<u>\$9,400</u>
						one-time only

Position Title Research Analyst III		No. of Positions 1	Range / Step 18A	Barg. Unit GG	
Time Status Seasonal	Staff Months 8	Location Juneau		Election District	
TYPE OF EXPENDITURE		Amount			
Salary	28.0	Justification The duties of this position would include: analyzing bills for their potential fiscal impact on municipalities; determining the extent of any fiscal impact; consulting with specific municipalities which would be affected by a measure; preparation of the necessary fiscal note stating whether or not there would be a fiscal impact; supervising and directing the work of one Research Analyst II during the legislative session; offering testimony at legislative committee hearings regarding any findings of municipal fiscal impact; performing work on interim activities; and assisting in regular department activities that were rescheduled from the legislative session to the interim. This position would also be responsible for managing and supporting a comprehensive municipal database that would further enhance the department's ability to respond to the Legislature's need for information about municipalities.			
Benefits	10.9				
Premium Pay					
Other					
Total Personal Services	38.9				38.9
Travel					1.7
Contractual					2.0
Commodities					0.6
Equipment					4.7
Other					
Total Cost		47.9			
FUNDING SOURCE FOR TOTAL COST					
Federal Receipts	1002				
G.F. Match	1003				
General Fund	1004	47.9			
I-A Receipts	1007				
CIP Receipts	1061				
Other					

**REQUEST FOR
NEW POSITION**

AGENCY Community and Regional Affairs
BRU Local Government Assistance
COMPONENT Statewide Assistance

FY 93

Page 3 of 4
Revised Date: 4-8-92

Position Title Research Analyst II		No. of Positions 1	Range / Step 16 A	Barg. Unit GG
Time Status Seasonal	Staff Months 6	Location Juneau		Election District
TYPE OF EXPENDITURE		Amount	Justification The duties of this position would include: analyzing bills for their potential fiscal impact on municipalities; determining the extent of any fiscal impact; consulting with specific municipalities which would be affected by a measure; and preparation of the necessary fiscal note stating whether or not there would be a fiscal impact.	
Salary	18.2			
Benefits	7.2			
Premium Pay				
Other				
Total Personal Services	25.4	25.4		
Travel		0.0		
Contractual		1.5		
Commodities		0.6		
Equipment		4.7		
Other				
Total Cost		32.2		
FUNDING SOURCE FOR TOTAL COST				
Federal Receipts 1002				
G.F. Match 1003				
General Fund 1004		32.2		
I-A Receipts 1007				
CIP Receipts 1061				
Other				

**REQUEST FOR
NEW POSITION**

AGENCY Community and Regional Affairs
 BRU Local Government Assistance
 COMPONENT Statewide Assistance

FY 93

Page 4 of 4
 Revised Date: 4-8-92

FISCAL NOTE

STATE OF ALASKA
1992 LEGISLATIVE SESSION

BILL NO. CS SS SB 301 (CRA)

Revision Date: March 18, 1992
 Title: "An act requiring municipal fiscal notes for bills and resolutions."
 Sponsor: Senator Uehling
 Requestor: Senate C&RA Committee

Department Affected: Community and Regional Affairs
 BRU: Local Government Assistance
 Component: Statewide Assistance

COMPONENT SERIAL NO.

0	6	7	6
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EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	108.7	110.6	114.2	116.2	119.7	121.9
TRAVEL	3.4	3.4	3.4	3.4	3.4	3.4
CONTRACTUAL	6.0	6.0	6.0	6.0	6.0	6.0
SUPPLIES	2.0	1.0	1.0	1.0	1.0	1.0
EQUIPMENT	17.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	137.1	121.0	124.6	126.6	130.1	132.3
CAPITAL						
REVENUE FUND SOURCE:						

FUNDING: (Thousands of Dollars)

GENERAL FUND	137.1	121.0	124.6	126.6	130.1	132.3
FEDERAL FUNDS						
OTHER FUND SOURCE:						
TOTAL	137.1	121.0	124.6	126.6	130.1	132.3

POSITIONS:

FULL-TIME	1.0	1.0	1.0	1.0	1.0	1.0
PART-TIME	2.0	2.0	2.0	2.0	2.0	2.0
TEMPORARY						

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary.)

The Department estimates three new positions, one permanent and two seasonal, would be necessary to perform the duties required by this legislation. A separate page is attached which shows how the above figures were calculated. Also attached are the necessary Request For New Position forms.

Prepared By: Remond Henderson
 Division: Administrative Services Division

Phone: 465-4708
 Date: 3/18/92

Approved by Commissioner: Er. Beth
 Agency: Department of Community and Regional Affairs

Date: March 18 - 92 /

Distribution (by preparer): Leg. Fin., Legislative Sponsor, Requestor, OMB/DBR, Gov. Legis. Ofc., & Impacted Agency(ies).
 Rev 10/7/91

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. CS SS SB 301 (CRA)

CALCULATION OF COSTS TO THE STATE: Includes one permanent full-time Research Analyst III and two seasonal full-time Research Analysts II, plus operating monies.

Position	Range/Step	Barg Unit	Location	Time Status	Fiscal Year	Sal + Bens	
Research Analyst III	18 A	GGU	Juneau	Permanent Full-time	FY 93	\$41,971	
							<u>\$15,868</u>
						<u>\$57,839</u>	
		18 B	"	"	"	FY 94	\$59,758
	(account for annual merit increases)	18 C	"	"	"	FY 95	\$61,630
		18 D	"	"	"	FY 96	\$63,596
		18 E	"	"	"	FY 97	\$65,531
18 F		"	"	"	FY 98	\$67,812	
Research Analyst II	16 A	GGU	Juneau	Seasonal 6 mos.	FY 93	\$18,214	
							<u>\$7,198</u>
						<u>\$25,412</u>	
(account for merit increases every other year)	16 A	"	"	"	FY 94	\$25,412	
	16 B	"	"	"	FY 95	\$26,285	
	16 B	"	"	"	FY 96	\$26,285	
	16 C	"	"	"	FY 97	\$27,063	
	16 C	"	"	"	FY 98	\$27,063	
Personal Services	1 permanent full-time staff @ R 18 =			\$57,839			
	2 seasonal full-time staff @ R 16 =			<u>\$50,824</u>			
			Total	<u>\$108,663</u>	FY 93		
Travel	2 3-day trips to Anchorage @ \$800 each =			\$1,600			
	2 3-day trips to Fairbanks @ \$900 each =			<u>\$1,800</u>			
			Total	<u>\$3,400</u>	per year		
Contractual Services	Estimate \$3,000 per staff @ full-time =			\$3,000			
	Estimate \$1,500 per staff @ part-time =			<u>\$3,000</u>			
			Total	<u>\$6,000</u>	per year		
Commodities	Estimate \$500 per staff @ full-time =			\$500			
	Estimate \$250 per staff @ part-time =			\$500			
	Plus \$1,000 start-up costs =			<u>\$1,000</u>	FY 93 only		
			Total	<u>\$2,000</u>		subsequently \$1,500 / year	
Equipment	3 personal computers @ \$3,500 each =			\$10,500			
	software			\$3,500			
	1 laser printer			<u>\$3,000</u>			
			Total	<u>\$17,000</u>	FY 93	one-time only	

Position Title Research Analyst III		No. of Positions 1	Range / Step 18A	Barg. Unit GG
Time Status Full-Time	Staff Months 12	Location Juneau		Election District
TYPE OF EXPENDITURE		Amount	Justification The duties of this position would include: analyzing bills for their potential fiscal impact on municipalities; determining the extent of any fiscal impact; consulting with specific municipalities which would be affected by a measure; preparation of the necessary fiscal note stating whether or not there would be a fiscal impact; supervising and directing the work of four Research Analysts II during the legislative session; offering testimony at legislative committee hearings regarding any findings of municipal fiscal impact; performing work on interim activities; and assisting in regular department activities that were rescheduled from the legislative session to the interim. This position would also be responsible for managing and supporting a comprehensive municipal database that would further enhance the department's ability to respond to the Legislature's need for information about municipalities.	
Salary	42.0			
Benefits	15.8			
Premium Pay				
Other				
Total Personal Services	57.8	57.8		
Travel		3.4		
Contractual		3.0		
Commodities		0.8		
Equipment		6.0		
Other				
Total Cost		71.0		
FUNDING SOURCE FOR TOTAL COST				
Federal Receipts	1002			
G.F. Match	1003			
General Fund	1004	71.0		
I-A Receipts	1007			
CIP Receipts	1061			
Other				

**REQUEST FOR
NEW POSITION**

AGENCY Community and Regional Affairs
BRU Local Government Assistance
COMPONENT Statewide Assistance

FY 93

Page 3 of 5
Revised Date:

Position Title Research Analyst II		No. of Positions 1	Range / Step 16 A	Barg. Unit GG
Time Status Seasonal	Staff Months 6	Location Juneau		Election District
TYPE OF EXPENDITURE		Amount	Justification The duties of this position would include: analyzing bills for their potential fiscal impact on municipalities; determining the extent of any fiscal impact; consulting with specific municipalities which would be affected by a measure; and preparation of the necessary fiscal note stating whether or not there would be a fiscal impact.	
Salary	18.2			
Benefits	7.2			
Premium Pay				
Other				
Total Personal Services	25.4	25.4		
Travel		0.0		
Contractual		1.5		
Commodities		0.6		
Equipment		5.5		
Other				
Total Cost		33.0		
FUNDING SOURCE FOR TOTAL COST				
Federal Receipts	1002			
G.F. Match	1003			
General Fund	1004	33.0		
I-A Receipts	1007			
CIP Receipts	1061			
Other				

**REQUEST FOR
NEW POSITION**

AGENCY Community and Regional Affairs
 BRU Local Government Assistance
 COMPONENT Statewide Assistance

FY 93

Page 4 of 5
 Revised Date:

Position Title Research Analyst II		No. of Positions 1	Range / Step 16 A	Barg. Unit GG
Time Status Seasonal	Staff Months 6	Location Juneau		Election District
TYPE OF EXPENDITURE		Amount	Justification The duties of this position would include: analyzing bills for their potential fiscal impact on municipalities; determining the extent of any fiscal impact; consulting with specific municipalities which would be affected by a measure; and preparation of the necessary fiscal note stating whether or not there would be a fiscal impact.	
Salary	18.2			
Benefits	7.2			
Premium Pay				
Other				
Total Personal Services	25.4	25.4		
Travel		0.0		
Contractual		1.5		
Commodities		0.6		
Equipment		5.5		
Other				
Total Cost		33.0		
FUNDING SOURCE FOR TOTAL COST				
Federal Receipts	1002			
G.F. Match	1003			
General Fund	1004	33.0		
I-A Receipts	1007			
CIP Receipts	1061			
Other				

**REQUEST FOR
NEW POSITION**

AGENCY Community and Regional Affairs
 BRU Local Government Assistance
 COMPONENT Statewide Assistance

FY 93

Page 5 of 5
 Revised Date:

FISCAL NOTE

No. 1
 Bill Version: SSSB 301
 BILI (S) Publish Date: 3-18-92

STATE OF ALASKA
 1992 LEGISLATIVE SESSION

Revision Date: _____
 Title: "An act requiring municipal fiscal notes for bills and resolutions."
 Sponsor: Senator Uehling
 Requestor: Senate C&RA Committee

Department Affected: Community and Regional Affairs
 BRU: Local Government Assistance
 Component: Statewide Assistance

COMPONENT SERIAL NO.

0	6	7	6
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EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	156.8	158.7	162.8	164.8	169.9	172.2
TRAVEL	3.4	3.4	3.4	3.4	3.4	3.4
CONTRACTUAL	9.0	9.0	9.0	9.0	9.0	9.0
SUPPLIES	3.3	1.5	1.5	1.5	1.5	1.5
EQUIPMENT	25.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	197.5	172.6	176.7	178.7	183.8	186.1

CAPITAL						
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REVENUE FUND SOURCE:						
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FUNDING: (Thousands of Dollars)

GENERAL FUND	197.5	172.6	176.7	178.7	183.8	186.1
FEDERAL FUNDS						
OTHER FUND SOURCE:						
TOTAL	197.5	172.6	176.7	178.7	183.8	186.1

POSITIONS:

FULL-TIME	1.0	1.0	1.0	1.0	1.0	1.0
PART-TIME	4.0	4.0	4.0	4.0	4.0	4.0
TEMPORARY						

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary.)

The Department estimates five new positions, one permanent and four seasonal, would be necessary to perform the duties required by this legislation. A separate page is attached which shows how the above figures were calculated. Also attached are the necessary Request For New Position forms.

Prepared By: *Richard Henderson*
 Division: Administrative Services Division

Phone: 465-4708
 Date: 2/20/92

Approved by Commissioner: *Ed. Beth*
 Agency: Department of Community and Regional Affairs

Date: 2-23-92

Distribution (by preparer): Leg. Fin., Legislative Sponsor, Requestor, OMB/DBR, Gov. Legis. Ofc., & Impacted Agency(ies).

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. SS SB 301

CALCULATION OF COSTS TO THE STATE: Includes one permanent full-time Research Analyst III and four seasonal full-time Research Analysts II, plus operating monies.

Position	Range/Step	Barg Unit	Location	Time Status	Fiscal Year	Sal + Bens
Research Analyst III	18 A	GGU	Juneau	Permanent Full-time	FY 93	\$42,550
						<u>\$58,572</u>
	(account for annual merit increases)	18 B	"	"	FY 94	\$60,518
		18 C	"	"	FY 95	\$62,416
		18 D	"	"	FY 96	\$64,409
		18 E	"	"	FY 97	\$66,371
	18 F	"	"	FY 98	\$68,683	
Research Analyst II	16 A	GGU	Juneau	Seasonal 6 mos.	FY 93	\$18,465
						<u>\$24,550</u>
	(account for merit increases every other year)	16 A	"	"	FY 94	\$24,550
		16 B	"	"	FY 95	\$25,105
		16 B	"	"	FY 96	\$25,105
		16 C	"	"	FY 97	\$25,884
	16 C	"	"	FY 98	\$25,884	
Personal Services	1 permanent full-time staff @ R 18 =			\$58,572		
	4 seasonal full-time staff @ R 16 =			<u>\$98,200</u>		
			Total	<u>\$156,772</u>	FY 93	
Travel	2 3-day trips to Anchorage @ \$800 each =			\$1,600		
	2 3-day trips to Fairbanks @ \$900 each =			<u>\$1,800</u>		
			Total	<u>\$3,400</u>	per year	
Contractual Services	Estimate \$3,000 per staff @ full-time =			\$3,000		
	Estimate \$1,500 per staff @ part-time =			<u>\$6,000</u>		
			Total	<u>\$9,000</u>	per year	
Commodities	Estimate \$500 per staff @ full-time =			\$500		
	Estimate \$250 per staff @ part-time =			\$1,000		
	Plus \$1,800 start-up costs =			<u>\$1,800</u>	FY 93 only	
			Total	<u>\$3,300</u>		subsequently \$1,500 / year
Equipment	3 personal computers @ \$3,500 each =			\$17,500		
	software			\$4,500		
	1 laser printer			<u>\$3,000</u>		
			Total	<u>\$25,000</u>	FY 93	one-time only

Position Title Research Analyst III		No. of Positions 1	Range / Step 18A	Barg. Unit GG
Time Status Full-Time	Staff Months 12	Location Juneau		Election District
TYPE OF EXPENDITURE		Amount	Justification The duties of this position would include: analyzing bills for their potential fiscal impact on municipalities; determining the extent of any fiscal impact; consulting with specific municipalities which would be affected by a measure; preparation of the necessary fiscal note stating whether or not there would be a fiscal impact; supervising and directing the work of four Research Analysts II during the legislative session; offering testimony at legislative committee hearings regarding any findings of municipal fiscal impact; performing work on interim activities; and assisting in regular department activities that were rescheduled from the legislative session to the interim. This position would also be responsible for managing and supporting a comprehensive municipal database that would further enhance the department's ability to respond to the Legislature's need for information about municipalities.	
Salary	42.6			
Benefits	16.0			
Premium Pay				
Other				
Total Personal Services	58.6	58.6		
Travel		3.4		
Contractual		3.0		
Commodities		0.9		
Equipment		5.0		
Other				
Total Cost		70.9		
FUNDING SOURCE FOR TOTAL COST				
Federal Receipts	1002			
G.F. Match	1003			
General Fund	1004	70.9		
I-A Receipts	1007			
CIP Receipts	1061			
Other				

**REQUEST FOR
NEW POSITION**

AGENCY Community and Regional Affairs
 BRU Local Government Assistance
 COMPONENT Statewide Assistance

FY 93

Page 3 of 7
 Revised Date:

Position Title Research Analyst II		No. of Positions 1	Range / Step 16 A	Barg. Unit GG	
Time Status Part-Time	Staff Months 6	Location Juneau		Election District	
TYPE OF EXPENDITURE		Amount	Justification The duties of this position would include: analyzing bills for their potential fiscal impact on municipalities; determining the extent of any fiscal impact; consulting with specific municipalities which would be affected by a measure; and preparation of the necessary fiscal note stating whether or not there would be a fiscal impact.		
Salary	18.5				
Benefits	6.1				
Premium Pay					
Other					
Total Personal Services	24.6	24.6			
Travel		0.0			
Contractual		1.5			
Commodities		0.6			
Equipment		5.0			
Other					
Total Cost		31.7			
FUNDING SOURCE FOR TOTAL COST					
Federal Receipts	1002				
G.F. Match	1003				
General Fund	1004	31.7			
I-A Receipts	1007				
CIP Receipts	1061				
Other					

**REQUEST FOR
NEW POSITION**

AGENCY Community and Regional Affairs
 BRU Local Government Assistance
 COMPONENT Statewide Assistance

FY 93

Page 4 of 7
 Revised Date:

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Time Status Part-Time	Staff Months 6	Location Juneau		Election District
TYPE OF EXPENDITURE		Amount	Justification The duties of this position would include: analyzing bills for their potential fiscal impact on municipalities; determining the extent of any fiscal impact; consulting with specific municipalities which would be affected by a measure; and preparation of the necessary fiscal note stating whether or not there would be a fiscal impact.	
Salary	18.5			
Benefits	6.1			
Premium Pay				
Other				
Total Personal Services	24.6	24.6		
Travel		0.0		
Contractual		1.5		
Commodities		0.6		
Equipment		5.0		
Other				
Total Cost		31.7		
FUNDING SOURCE FOR TOTAL COST				
Federal Receipts	1002			
G.F. Match	1003			
General Fund	1004	31.7		
I-A Receipts	1007			
CIP Receipts	1061			
Other				

**REQUEST FOR
NEW POSITION**

AGENCY Community and Regional Affairs

BRU Local Government Assistance

COMPONENT Statewide Assistance

FY 93

Page 5 of 7

Revised Date:

Position Title Research Analyst II		No. of Positions 1	Range / Step 16 A	Barg. Unit GG
Time Status Part-Time	Staff Months 6	Location Juneau		Election District
TYPE OF EXPENDITURE		Amount		
Salary	18.5			
Benefits	6.1			
Premium Pay				
Other				
Total Personal Services	24.6	24.6		
Travel		0.0		
Contractual		1.5		
Commodities		0.6		
Equipment		5.0		
Other				
Total Cost		31.7		
FUNDING SOURCE FOR TOTAL COST				
Federal Receipts	1002			
G.F. Match	1003			
General Fund	1004	31.7		
I-A Receipts	1007			
CIP Receipts	1061			
Other				
Justification				
The duties of this position would include: analyzing bills for their potential fiscal impact on municipalities; determining the extent of any fiscal impact; consulting with specific municipalities which would be affected by a measure; and preparation of the necessary fiscal note stating whether or not there would be a fiscal impact.				

**REQUEST FOR
NEW POSITION**

AGENCY Community and Regional Affairs

BRU Local Government Assistance

COMPONENT Statewide Assistance

FY 93

Page 6 of 7

Revised Date:

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TYPE OF EXPENDITURE		Amount	Justification The duties of this position would include: analyzing bills for their potential fiscal impact on municipalities; determining the extent of any fiscal impact; consulting with specific municipalities which would be affected by a measure; and preparation of the necessary fiscal note stating whether or not there would be a fiscal impact.	
Salary	18.5			
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Premium Pay				
Other				
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Commodities		0.6		
Equipment		5.0		
Other				
Total Cost		31.7		
FUNDING SOURCE FOR TOTAL COST				
Federal Receipts	1002			
G.F. Match	1003			
General Fund	1004	31.7		
I-A Receipts	1007			
CIP Receipts	1061			
Other				

**REQUEST FOR
NEW POSITION**

AGENCY Community and Regional Affairs
BRU Local Government Assistance
COMPONENT Statewide Assistance

FY 93

Page 7 of 7
Revised Date: _____

STATE OF ALASKA

DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

WALTER J. HICKEL, GOVERNOR

P.O. BOX 112100
JUNEAU, ALASKA 99811-2100
PHONE: (907) 465-4750

333 W. 4TH AVENUE, SUITE 220
ANCHORAGE, ALASKA 99501-2341
PHONE: (907) 269-4500

April 8, 1992

The Honorable Pat Pourchot
Co-Chair, Senate Finance Committee
Room 516
State Capitol
Juneau, AK 99801-1182

RE: SB 301 - MUNICIPAL FISCAL NOTES

Dear Senator Pourchot:

Attached to this letter are two alternative fiscal notes on SB 301. One is in response to Senator Adams' suggestion that only one seasonal Range 18 Research Analyst be funded to implement the mandate to the department contained in SB 301. We have prepared this fiscal note so that it will be accurate but do not agree that this is adequate funding to comply with the mandate in a thorough manner.

While the department has consistently supported the concept of municipal fiscal notes, we have been concerned that the duty to provide these notes not supplant our other duties. In light of proposed staffing cuts to our department, there is no possible way for us to use existing staff to prepare municipal fiscal notes. We are very concerned that the legislature not enact a mandate with which we can only comply in a superficial manner. If the Senate Finance Committee cannot endorse the fiscal note we felt would allow the department to do a good job, please at least provide funding for more than one person during the legislative session.

We also believe it important to have lead time to train the Range 18 Research Analyst before the beginning of the session. Therefore, the minimum workable time for the Range 18 position would be 8 months. This would make it possible for the Range 18 Research Analyst to go to the Alaska Municipal League Conference to meet local government representatives with whom he or she will have to work in preparing the municipal fiscal notes. It will also allow time for the Research Analyst to establish a data base and reference network on local governments around the state.

The Honorable Pat Pourchot
April 8, 1992
Page 2

We also feel it is absolutely necessary to have a second Research Analyst at a Range 16 available during the session. We believe it will be physically impossible for one person to provide the in-depth analysis we feel is necessary on the number of bills we anticipate. We have developed a second alternative fiscal note, providing for a Range 18 for 8 months and a Range 16 for 6 months, to reflect our concerns. We strongly believe this is the very lowest level of support that can realistically be expected to fulfill the research staff requirements posed by the implementation of SB 301.

Sincerely,

Ed Blatchford

Edgar Blatchford
Commissioner

Attachments

DIVISION OF LEGAL SERVICES

LEGISLATIVE AFFAIRS AGENCY STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

240 Main Street, Suite 500
Juneau, Alaska 99801-2201

MEMORANDUM

March 27, 1992

SUBJECT: Municipal Fiscal Notes (SSSB 301(CRA))
TO: Senator Rick Uehling
FROM: Tamara Brandt Cook *TBC*
Director

This bill as originally introduced required that a municipal fiscal note be attached to a measure by the first committee of referral, as is currently done for fiscal notes. That provision has been changed so that the municipal fiscal note is to be obtained by the last committee of referral. You have asked whether the Rules Committee will always be the last committee of referral.

I grant you that the bill is not entirely clear on that point. However, I would take this language to require that the last committee that works on the bill as a substantive matter is the committee that must attach the fiscal note. The Rules Committee can be a committee of referral in this sense, but when it meets merely to prepare the daily calendar I do not think it is acting as a committee of referral. Note that under Uniform Rule 23(e) the notice requirements that typically apply to a committee that is holding hearings on a measure do not apply to the Rules Committee when it meets to prepare the calendar. Therefore, I would conclude that the last committee to work on a bill substantively is the committee that must obtain the municipal fiscal note. This might be the Rules Committee, but it very often would not be.

Clearly, there is a practical problem inherent in the approach now incorporated into the bill, namely the difficulty in ascertaining which committee is the last committee of referral. Referrals are made by the presiding officer upon introduction, but new referrals may be added at any point in the progress of the bill. In addition, it is not altogether clear whether the language refers to the last committee of referral in the house of origin or in the second body.

If it is the desire of the Senate that the Rules Committee always obtain the municipal fiscal note as part of the calendaring process, I would recommend that the language be changed to specifically name that committee. Note, however, that this approach

Senator Rick Uehling
March 27, 1992
Page 2

will deprive all the committees that consider a measure substantively, of fiscal information they might have found useful in evaluating the measure.


TBC:gc
92-261.glc

Enclosure



217 Second Street, Suite 200 • Juneau, Alaska 99801 • Tel (907) 586-1325, Fax (907) 586-5480

March 26, 1992

TO: Senator Rick Uehling
FROM: Scott A. Burgess, Executive Director 
RE: Response to request for information regarding SB 301

In evaluating the Department of Community and Regional Affairs fiscal note on SB 301, which would require municipal fiscal notes, you and your staff had requested some information about the number of mandates bills that make it to the final committee of referral within their house.

Based on a quick review of legislation introduced during the 16th Alaska Legislature (1989-90), I can offer the following:

- 81 bills that imposed mandates on municipalities were introduced (70 unduplicated)
- of the 81, 33 made it at least as far as the final committee of referral within their house of origin

I hope this will be helpful. If I can be of further assistance, please feel free to call.

cc: Representative Dave Choquette

CTEST92/2:mands.326

Senator Rick Uehling

Downtown, Elmendorf, Northeast Anchorage



Senate Finance Committee
International Trade & Tourism Committee
State Affairs Committee

MEMORANDUM

TO: Senator Pat Pourchot, Co-Chair
Senator Jay Kerttula, Co-Chair

Senate Committee on Finance

FROM: Senator Rick Uehling

DATE: March 19, 1992

RE: Scheduling of SB 301, "An Act requiring municipal fiscal notes for bills and resolutions"

I respectfully request your consideration in scheduling Senate Bill 301, An Act requiring municipal fiscal notes for bills, in the Senate Finance Committee.

I have introduced SB 301 to assist local governments in reducing the number and amount of mandates placed on them by publishing the costs of proposed bills and resolutions to municipalities.

SB 301 would require that before a bill or resolution is reported from the committee of last referral it is accompanied by a municipal fiscal note. This fiscal note will contain an estimate for the current fiscal year and the five succeeding fiscal years the costs to municipalities that would result from enactment of the measure. The fiscal note shall be prepared by the Department of Community & Regional Affairs and delivered to the committee within five days of the request. SB 301 would exempt appropriation bills from this requirement.

Alaska is not alone in considering municipality fiscal notes. In all, twenty-eight states require fiscal notes disclosing the costs to local entities resulting from passage of proposed legislation.

Thank you for your consideration of my request. If you have any questions or if I can be of any assistance, please do not hesitate to call on me.



Fairbanks North Star Borough

809 Pioneer Road

P.O. Box 71267

Fairbanks, Alaska 99707-1267

907/459-1000

March 6, 1992

Honorable Steve Frank, Chair
Community and Regional Affairs Committee
Alaska State Legislature
P. O. Box V
Juneau, AK 99811

Dear Senator Frank,

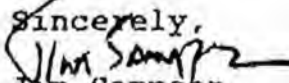
I would appreciate your support of ^{HB 476} SB 301 and SJR 32 introduced by Senator Rick Uehling.

^{HB 476} Senate Bill 301 would ensure that an appropriate fiscal note would be attached to any legislation affecting municipalities for the current year as well as five succeeding fiscal years. Local governments have a right to know the cost or savings to them as a result of legislation introduced by the Governor or the Alaska Legislature.

Too often those costs are passed on to local governments without the municipalities being aware of the costs to the public. This legislation should help in defining those costs.

SJR 32 would propose an amendment to the constitution requiring the State of Alaska to require an appropriation to be made whenever a law is enacted which would require the borough to perform a new service or increase the level of any activity they currently perform. I would appreciate your support of a hearing for SJR 32.

Thank you for your work on behalf of the residents of Fairbanks.

Sincerely,

Jim Sampson
Mayor

JS:rlf

STATE OF ALASKA

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

March 5, 1992

POSITION PAPER

RE: SS SB 301

SPONSOR: Senator Uehling

Program Effects of Bill:

This bill would require the Department of Community and Regional Affairs to prepare a fiscal note on all proposed legislation that has a fiscal impact on municipalities. The fiscal note must estimate the fiscal impact for the current fiscal year and for five succeeding fiscal years. The fiscal note must be prepared within five days of the legislative request, or within two days if the request is made after the 90th day of the regular session or during a special session, and requires consultation with affected municipalities.

Comments:

The Department estimates five new positions, one permanent and four seasonal, would be necessary to perform the duties required by this legislation. The proposed amendments would make it easier and cheaper to comply with the bill's requirements. If the following amendments are adopted, the Department believes the number of positions required would be three instead of five.

Amendment #1: After the word "municipality" on page 1, line 4, insert "to the extent funding for personnel is made available." The effect of this amendment is to make it clear that if the Legislature does not fund the required positions, the mandate to the Department is not effective.

Amendment #2: After the word "cost" on page 1, line 6, delete "or savings." The effect of this amendment is to reduce the burden on the Department and yet comply with the concern of municipalities that the Legislature be made aware of new fiscal burdens being placed on them.

WALTER J. HICKEL, GOVERNOR

150 THIRD STREET
JUNEAU, ALASKA 99801-1291
PHONE: (907) 465-4700

949 E. 36TH AVENUE, SUITE 400
ANCHORAGE, ALASKA 99508-4302
PHONE: (907) 563-1073

1121
1

Position Paper on SS SB 301
March 5, 1992
Page Two

Amendment #3: After the words "The committee of" on page 1, line 8, delete "first" and insert "second". The effect of this amendment is to reduce the burden on the Department because many bills never leave their first committee of referral. It also allows the necessary lead time for staff to research the bill and poll a variety of municipalities on the anticipated impacts.

Amendment #4: After the words "substantially complies with (c)" on page 1, line 14, insert "(1), (2), (6), (7), (8), (9) and (d)". The effect of this amendment is to eliminate meaningless or unnecessary requirements for the contents of municipal impact fiscal notes since the omitted sections focus on state funding issues.

Amendment #5: Insert a sunset provision of three years so that the Legislature is required to revisit this mandate to the Department after a period of experimentation with the requirements of the bill. A sunset provision will also force the Legislature to reevaluate whether the fiscal resources are available to render this service.


We support the concept of this bill, but can only support the bill if the Department of Community and Regional Affairs is given the additional resources to satisfy the bill's requirements.

Ed. Blatchford

Edgar Blatchford, Commissioner



March 1, 1992

TO: Senator Rick Uehling
FROM: Scott A. Burgess, Executive Director 
RE: Legislation placing mandates on municipalities

As requested, based on a quick review of legislation introduced during the 16th Alaska Legislature (1989-90) and to date during the 17th Legislature, I can offer the following:

Sixteenth Legislature

1,159 bills introduced total

approx. 262 affected municipalities in some way

of these,

- 32 were duplicates, leaving approx. 230
 - approx. 70 (unduplicated) pieces of legislation were identified as placing some sort of mandate on local governments
- of these, 5 were related to federal mandates
- 59 of the 230 passed, including 18 that were identified as placing a mandate on local governments

Seventeenth Legislature

1,003 bills introduced to date

approx. 270 affect municipalities in some way

of these,

- 37 are duplicates, leaving approximately 233
 - approximately 74 (unduplicated) pieces of legislation are identified as placing some sort of mandate on local governments
- of these, 6 are related to federal mandates
- so far, 27 of the 233 have passed, including 5 that were identified as placing a mandate on local governments

Whether this two-year history can be projected to other sessions is hard to say, but this should give you some idea of the magnitude of the problem.

C92TEST:mandate.301

HISTORICAL SUMMARY (Continued)
1959 - 1991

LEGISLATURE/SESSION & NUMBER OF DAYS	BILLS INTRODUCED			BILLS VETOED	BILLS BECAME LAW
	HOUSE	SENATE	TOTAL		
10TH LEGISLATURE: 1977 - 1978					
1st Session - 141 days	552	370	922	4	155
2nd Session - 161 days	<u>434</u>	<u>272</u>	<u>706</u>	<u>5</u>	<u>182</u>
Total	986	642	1,628	9	337
11TH LEGISLATURE: 1979 - 1980					
1st Session - 112 days	503	289	792	2	87
1st Special Session - 3 days	3	2	5	0	0
2nd Session - 145 days	533	299	832	18	176
2nd Special Session - 3 days	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	1,039	590	1,629	20	263
12TH LEGISLATURE: 1981 - 1982					
1st Session - 165 days	620	606	1,226	5	120
1st Special Session - 3 days	0	1	1	0	0
2nd Session - 144 days	<u>274</u>	<u>292</u>	<u>566</u>	<u>14</u>	<u>144</u>
Total	894	899	1,793	19	264
13TH LEGISLATURE: 1983 - 1984					
1st Session - 162 days	449	318	767	9	109
2nd Session - 152 days	<u>273</u>	<u>236</u>	<u>509</u>	<u>10</u>	<u>171</u>
Total	722	554	1,276	19	280
14TH LEGISLATURE: 1985 - 1986					
1st Session - 119 days	448	322	770	1	105
1st Special Session - 30 days	0	0	0	0	0
2nd Session - 120 days	<u>262</u>	<u>167</u>	<u>429</u>	<u>5</u>	<u>146</u>
Total	710	489	1,199	6	251
15TH LEGISLATURE: 1987 - 1988					
1st Session - 122 days	327	310	637	3	96
1st Special Session - 3 days	2	2	4		5
2nd Session - 121 days	<u>238</u>	<u>208</u>	<u>446</u>	<u>3</u>	<u>173</u>
Total	567	520	1,087	6	274
16TH LEGISLATURE: 1989 - 1990					
1st Session - 121 days	360	331	691	2	117
2nd Session - 121 days	230	221	459	4	211
1st Special Session - 14 days	<u>5</u>	<u>4</u>	<u>9</u>		<u>1</u>
Total	603	556	1,159	6	329
17TH LEGISLATURE: 1991 - 1992					
1st Session - days	356	313	669	10	96

Municipality of Anchorage



OFFICE OF THE MAYOR

P.O. BOX 196650
ANCHORAGE, ALASKA 99519-6650
(907) 343-4431
FAX 258-5210

TOM FINK
MAYOR

January 30, 1992

Senator Rick Uehling
P.O. Box V
Juneau, Alaska 99811

Re: Bill of Mandates

Dear Senator Uehling:

The Municipality of Anchorage requests your support for passage of the Bill of Mandates, which includes SJR 32, "Proposing an amendment to the constitution of the State of Alaska relating to mandated municipal services. This legislation, sponsored by Senator Uehling, would in our view, go a long way in addressing the rising tensions between local governments and the State over statutory demands that local governments perform new functions.

An example of a state mandated program with serious financial consequences to the Municipality of Anchorage is the Senior Citizens/Disabled Veterans property tax exemption. In 1991 we exempted approximately \$5 million in taxes under this program, and was only reimburse \$1.2 million. This shortfunding will have to be made up from either an increase in taxes for the remaining taxpayers or the loss of more government services.

In addition to state imposed mandates, Anchorage provides many services not provided by most other Alaskan communities. The Municipality of Anchorage charges misdemeanor suspects under the Municipal Code, thus sparing the State of Alaska the expense of prosecuting misdemeanors. The Municipal misdemeanor code is analogous to the State misdemeanor code. Also of note, Anchorage is the only community to charge DWI suspects under a municipal code. In 1990, the Municipality processed 1,215 DWI cases at an estimated cost of \$800,000. The Anchorage taxpayers bear the burden of these expenditures.

The "mandates" problem is national in scope. Seven states, including California and Hawaii, have gone so far as to amend their constitutions to address this problem. A 1990 initiative drive in Florida prompted legislators to pass compromise legislation -- no mandates without money unless two-thirds of both houses vote otherwise. Some states constitutions stipulate that special acts necessitating appropriations by a local government do not become

effective unless approved by a voter referendum. Still another approach is to require that the increased costs resulting from laws of general application be shared between the state and local governments. To date, approximately 17 states have statutory or constitutional requirements that payments be made on some level for mandates.

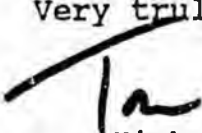
While we believe that addressing the mandate issue directly is the desired approach to this problem, the Municipality believes that a significant step can be taken in the interim to focus legislative attention on the responsibilities of local governments for providing new services. That approach is contained in SSSB 301, "An Act requiring municipal fiscal notes for bills and resolutions," also sponsored by Senator Uehling.

SSSB 301 would require that when a bill or resolution affects local governments, that a formal effort be made to estimate the costs of the legislation through preparation of a fiscal note. This process has been used for many years when it comes to effects on the executive departments of state government. SSSB 301 would ultimately cause some agencies of state government to more carefully consider the impacts of proposed legislation on local governments, but we believe this is only fair. After all, ignoring the problems of local government will rarely result in better service to the public. Currently, at least 42 states require fiscal notes disclosing the costs to local entities.

Passage of SJR 32, and SSSB 301 will help restore a balance to the legislative process that has been missing in recent years and enhance the relationship between the State and its local governments.

Your support for the Bill of Mandates is strongly urged.

Very truly yours,



Tom Fink
Mayor



January 24, 1992

MEMORANDUM

TO: Joshua Fink, Legislative Aid, Representative Choquette
Camden Toohey, Legislative Aid, Senator Uehling

FROM: Scott A. Burgess, Executive Director 

SUBJECT: Fiscal Notes (SB 301)

The Alaska Municipal League supports legislation that would require the preparation of municipal fiscal notes (see excerpt from 1992 Policy Statement enclosed). I look forward to working with you and Senator Uehling and Representative Choquette on this legislation.

With this memo I am also providing some history of past legislative efforts to draw your attention to the main differences between SB 301 and SS SB 301 - who should prepare the fiscal notes - the Department of Community Affairs or the affected department in consultation with DCRA and OMB. Specifically, in 1986, the legislation SB 369 required DCRA to prepare the fiscal notes and they came in with a \$500,000 fiscal note of their own. In response a CS was adopted which said the "affected department." DCRA then lowered their fiscal note to \$74,000. These are the differences between SB 301 and SS SB 301. I realize that the state administration and the world have changed since 1986.

Another point is that, while DCRA may be the state department most familiar with municipalities (which is important to getting good information) and may be able to "staff up" to provide staff to prepare such fiscal notes (rather than having this familiarity in each department), DCRA will not have the benefit necessarily of the expertise within the affected department. In either case, the language that "the municipalities will be consulted" is important, even if the information or response cannot be relied on in all cases.

In any event, the preparation of fiscal notes on the potential fiscal impact of proposed legislation and regulations 1) is necessary for good public policy making, 2) will cost money, and 3) the impacts will vary among municipalities as significantly as the municipalities themselves vary in terms of population, location, budgets, services, and ability to pay.

The National Conference of State Legislatures has endorsed fiscal note legislation and the National League of Cities (NLC) is currently working on a "state mandates" analysis which addresses fiscal notes. From the data NLC has gathered (manuscript not complete), twenty-eight states have fiscal note requirements. Fourteen of those states also have reimbursement requirements which rely on those fiscal notes (SJR 32). Of the states with

fiscal notes, twenty have the provisions contained in statutes, as opposed to in a "rule." Most commonly, the preparer of fiscal notes are units of legislative agencies (legislative research) or state agencies (those dealing with budgeting and fiscal analysis). In either case, it has been important to require that the preparer analyze and seek input from municipalities.

Finally, the success of fiscal notes varies and ultimately depends on the importance the legislature and the administration places on them.

Here are some thoughts about additional language to strengthen SB 301 or any fiscal note legislation:

1. General - Add language to the effect that says, "no legislation or agency rule constituting a mandate on local government shall be binding on local governments if no fiscal note was prepared to inform the legislature of the impact of a mandate prior to its enactment."

2. Mandate - Following from the above, "affects" in SB 301 should be defined as mandates, i.e. "any state initiated rule, law, budget provision, or executive order that requires a local government to expand, restrict, or modify its activities in any way that bears upon its ability to raise revenues, make expenditures, or conduct the administrative business of local government. State initiated requirements are intended to exclude any that originate at the federal level. Federal regulatory policy affecting local governments does not require a fiscal note so long as the state does not augment the federal standards by imposing higher standards of its own. Enabling legislation or conditions of aid are not considered mandates and do not require a fiscal note. The test for whether a mandate exists should be whether the municipality may elect not to comply without penalty."

3. Timing - Bills can be amended and SB 301 only speaks to the first committee of referral. Language in the last paragraph of AS 24.08.035(a) should be included, e.g., "An amendment or substitute bill proposed by a committee of referral that changes the fiscal impact of a bill shall be explained in a revised fiscal note or statement attached to the bill."

Finally, in the "for what it's worth" category, I draw your attention to Article II, Section 19 of the Alaska Constitution which states in part, "Local acts necessitating appropriations by a political subdivision may not become effective unless approved by a majority of the qualified voters voting thereon in the subdivision affected." While I assume this applies only to "special," i.e. defined as individual municipalities, rather than "general" legislation, the intent and idea fits.

I hope this information is useful, and, again, I look forward to working with you on this legislation.

Enclosures

** Last Committee of Referral*

sab6:fiscalno.124

CS FOR SPONSOR SUBSTITUTE FOR SENATE BILL NO. 301 (CRA)**IN THE LEGISLATURE OF THE STATE OF ALASKA****SEVENTEENTH LEGISLATURE - SECOND SESSION****BY THE SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE****Offered: 3/18/92****Referred: Finance****Sponsor(s): SENATORS UEHLING, Sturgulewski****A BILL****FOR AN ACT ENTITLED****1 "An Act requiring municipal fiscal notes for bills and resolutions."****2 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:****3 * Section 1. AS 24.08.035 is amended by adding a new subsection to read:**

4 (c) If a bill or resolution, except an appropriation bill, significantly increases costs to a
5 municipality, there shall be attached to the measure a municipal fiscal note containing an estimate
6 for the current fiscal year and five succeeding fiscal years of the cost to municipalities that would
7 result from enactment of the measure. If the measure does not significantly increase costs to a
8 municipality, a statement to that effect shall be attached. The last committee of referral shall
9 request the municipal fiscal note. It shall be prepared by the Department of Community and
10 Regional Affairs. It shall be delivered in accordance with (d) of this section within five days of
11 the request, or within two days if the request is made after the 90th day of a regular session or
12 during a special session. To the extent practicable, before delivering the fiscal note the
13 department shall consult with municipalities that would be affected by the measure. The
14 municipal fiscal note must contain information that substantially complies with (c)(1), (2), and

- 1 (6) - (9) of this section.
- 2 * Sec. 2. AS 24.08.035(e) is repealed July 1, 1997.

STATE COMMITTEE REPORT
FIRST COMMITTEE OF REFERRAL

Four

DATE: 5/17/91
1/16/92

FURTHER: Finance

Date of 5-Day Notice: 3/12/92
(in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: 3/18/92

CRA Committee considered SSSB 301

"An Act requiring municipal fiscal notes for bills and resolutions."

and recommends it
be replaced with

and recommends:

replace with CS SSSB301 (CRA)

same title
 new title
 technical title change (HB only)

attaches amendment(s) and report it back as follows

adopts CRA Letter of Intent

further referral to the _____

do pass

do not pass

no recommendation

individual recommendations

FN attached as Amended bill & a FN

NEW FISCAL NOTES: Dept/Date

PREVIOUS FISCAL NOTES: Dept/Date

zero fiscal notes _____

Governor's bill with fiscal notes: _____

fiscal notes DCRA 2/20 SSSB301

zero fiscal notes _____

appropriation--no fiscal note

DO PASS:

OTHER RECOMMENDATIONS:

Paul R. Blainey No Rec'd
[Signature] No Rec 1/89

Mark Do Pass
Chair: Signature and Recommendation

SPONSOR SUBSTITUTE FOR SENATE BILL NO. 301
 IN THE LEGISLATURE OF THE STATE OF ALASKA
 SEVENTEENTH LEGISLATURE - SECOND SESSION

BY SENATOR UEHLING

Introduced: 1/16/92
 Referred: CRA, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act requiring municipal fiscal notes for bills and resolutions."

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

3 * Section 1. AS 24.08.035 is amended by adding a new subsection to read:

4 (e) If a bill or resolution, except an appropriation bill, affects a municipality, there shall
 5 be attached to the measure a municipal fiscal note containing an estimate for the current fiscal
 6 year and five succeeding fiscal years of the cost or savings to municipalities that would result
 7 from enactment of the measure. If the measure has no fiscal impact on municipalities, a
 8 statement to that effect shall be attached. The committee of first referral shall request the
 9 municipal fiscal note. It shall be prepared by the Department of Community and Regional
 10 Affairs and delivered to the committee within five days of the request or within two days if the
 11 request is made after the 90th day of a regular session or during a special session. To the extent
 12 practicable, before delivering the fiscal note the department shall consult with municipalities that
 13 would be affected by the measure. The municipal fiscal note must contain information that
 14 substantially complies with (c) of this section.

SB302

WALTER J. HICKEL
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

**DIED IN
HFC**

May 17, 1991

302

The Honorable Richard I. Eliason
President of the Senate
P.O. Box V
Juneau, AK 99811

Dear President Eliason:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to credits for drilling stratigraphic test wells. The bill authorizes the commissioner of natural resources to extend exploration incentive credits under AS 38.05.180(i) to persons drilling stratigraphic test wells between July 1, 1991 and July 1, 1993 on land in the state.

Currently, AS 38.05.180(i) permits the commissioner to grant oil and gas lessees credits against royalty and tax payments due the state. The credits are limited to one-half of a lessee's costs for drilling an exploratory well or performing geophysical work.

The purpose of the new credits is to encourage the drilling of stratigraphic test wells on land not currently under oil or gas lease. In an effort to obtain information that would help the state complete, by January 1994, its selection of land under the Alaska Statehood Act, all the major oil and gas companies operating in the state have already been asked to consider drilling stratigraphic test wells on unleased land; none are motivated in the absence of credits.

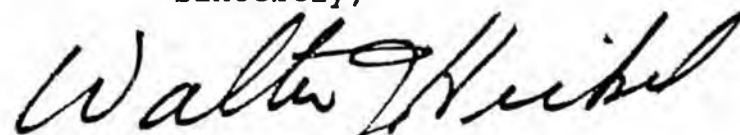
The bill requires the driller to provide the state with well data before a credit is approved. This assures that no credit will be granted unless the state receives, in exchange for the credit, information bearing on the selection of land under the Alaska Statehood Act.

The total of all credits granted for drilling stratigraphic test wells may not exceed \$20,000,000. If drillers' costs approved for credit exceed \$20,000,000, then \$20,000,000 in credits would be pro-rated among the drillers on the basis of approved costs.

The Honorable Richard Eliason - 2 -

AS 38.05.180(f) is rewritten by the bill to prevent that subsection from becoming unduly cumbersome through the addition of the language providing for the new credits. No substantive change has been made in the existing provisions.

Sincerely,

A handwritten signature in black ink, reading "Walter J. Hickel". The signature is written in a cursive style with a large, sweeping "W" and "H".

Walter J. Hickel
Governor

FISCAL NOTE

No. 46

Bill Version: CSSB 302(FIN)

Publ (S) Publish Date: 5-4-92

STATE OF ALASKA
1992 LEGISLATIVE SESSION

Revision Date: 4-May-92 Department Affected: Natural Resources
 Title: Strat. Test Well Credits BRU: Petroleum Management
 Components: Petroleum Management
 Sponsor: Senate Rules (for Governor)
 Requestor: Senate Finance COMPONENT SERIAL NO. 439

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
OPERATING						
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND&STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL	0.0	0.0	0.0	0.0	0.0	0.0
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REVENUE	**	**	**	**	**	**
Funding Source:						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
Funding Source: 1007						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of Current year impact: -0-

ANALYSIS: (Attach a separate page if necessary)
 ** Will result in \$0 to \$30 million in total credits against taxes, royalties, bonuses, etc. for work approved by the Commissioner.

Prepared by: Carol Wilson Phone: 465-2400
 Division: Commissioner's Office Date: 4-May-92
 Approved by Commissioner: Harold C. Heinz Date: 4-May-92
 Agency: Department of Natural Resources

Distribution (by preparer) : Legislative Finance, legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

FISCAL NOTE

No. 5

STATE OF ALASKA
LEGISLATIVE SESSION

Bill Version: CSSB 302 (FIN)

(S) Publish Date: 5-4-92

Date: May 4, 1992

Department Affected: Revenue

Relating to exploration incentive credits...

BRU: Revenue Operations

Component: Oil & Gas Audit

Author: Sen Rules by Request of Governor

Component Serial No.

Author: Sen Finance

0	1	1	5
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Figures/Revenues: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
COPIES						
EQUIPMENT						
VEHICLES & STRUCTURES						
GRANTS, CLAIMS						
CELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

TOTAL						
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REVENUE FUND SOURCE	*	*	*	*	*	*
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EXPENSES: (Thousands of Dollars)

GENERAL FUND	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
GENERAL FUNDS						
GENERAL FUND SOURCE						
TOTAL	0	0	0	0	0	0

ADDITIONS:						
LONG-TERM						
SHORT-TERM						
TEMPORARY						

Net of current year impact: 0

ANALYSIS: * Over the course of the five year term exploration credits could total between \$0 and \$ 30 million. It is impossible to predict the actual year and dollar amount.

Prepared by: Rod Mourant Phone: 465-2300
 Location: Commissioner's Office Date: 5/4/92
 Approved by Commissioner: David R. ...
 Subject: Revenue

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

SB302

SENATE FINANCE COMMITTEE REPORT

DATE: 4/15/92

FURTHER:

DATE TURNED INTO OFFICE: 5-4-92

The Finance Committee considered SENATE BILL NO. 302

"An Act relating to credits against certain payments due the state, earned by drilling stratigraphic test wells on unleased land; and providing for an effective date."

and recommends:

replace with CS 50 302 (FINANCE)
or adopt previous _____ CS _____
 attaches amendment(s)

same title
 new title
 technical title change (HB only)

adopts _____ Letter of Intent

further referral to the _____

do pass

do not pass

no recommendation

individual recommendations

NEW FISCAL NOTES: Dept/Date

zero fiscal notes DOR 5-4-92
DNR 5-4-92

fiscal notes _____

appropriation--no fiscal note

PREVIOUS FISCAL NOTES: Dept/Date

zero fiscal notes _____

fiscal notes _____

DO PASS:

Al Sedberry
[Signature]
[Signature]
[Signature]
[Signature]

1. [Signature] no rec
Co-Chair: Signature/Recommendation

OTHER RECOMMENDATIONS:

J. Duncan - no rec

2. _____
Co-Chair: Signature/Recommendation

Revision Date: May 4, 1992

Department Affected: Revenue

Subject: Relating to exploration incentive credits...

BRU: Revenue Operations

Component: Oil & Gas Audit

Sponsor: Sen Rules by Request of Governor

Component Serial No.

Requestor: Sen Finance

0	1	1	5
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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL						
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REVENUE FUND SOURCE	*	*	*	*	*	*
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FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER FUND SOURCE						
TOTAL	0	0	0	0	0	0

EMPLOYMENT:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimated of current year impact: 0

ANALYSIS: * Over the course of the five year term exploration credits could total between \$0 and \$ 30 million. It is impossible to predict the actual year and dollar amount.

Prepared by: Rod Mourant

Phone: 465-2300

Location: Commissioner's Office

Date: 5/4/92

Approved by Commissioner: [Signature]

Agency: Revenue

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

STATE OF ALASKA
1992 LEGISLATIVE SESSION

BILL NO. CS CSSB 302 (Fin)

Revision Date: 4-May-92 Department Affected: Natural Resources
 Title: Strat. Test Well Credits BRU: Petroleum Management
 Components: Petroleum Management
 Sponsor: Senate Rules (for Governor)
 Requestor: Senate Finance COMPONENT SERIAL NO. 439

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND&STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL	0.0	0.0	0.0	0.0	0.0	0.0
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REVENUE	**	**	**	**	**	**
Funding Source:						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
Funding Source: 1007						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of Current year impact: -0-

ANALYSIS: (Attach a separate page if necessary)
 ** Will result in \$0 to \$30 million in total credits against taxes, royalties, bonuses, etc. for work approved by the Commissioner.

Prepared by: Carol Wilson Phone: 465-2400
 Division: Commissioner's Office Date: 4-May-92
 Approved by Commissioner: Harold C. Heings Date: 4-May-92
 Agency: Department of Natural Resources

Distribution (by preparer) : Legislative Finance, legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

CS FOR SENATE BILL NO. 302 (FINANCE)
 IN THE LEGISLATURE OF THE STATE OF ALASKA
 SEVENTEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:
 Referred:

Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to exploration incentive credits for geophysical work and for the drilling
 2 of exploratory and stratigraphic test wells on certain land in the state, and providing that
 3 the credits may be deducted from rentals, royalties, bonuses, or taxes due the state; and
 4 providing for an effective date."

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

6 * Section 1. AS 38.95 is amended by adding a new section to read:

7 ARTICLE 7. EXPLORATION INCENTIVE CREDITS.

8 Sec. 38.95.300. EXPLORATION INCENTIVE CREDITS. (a) In addition to the
 9 exploration incentive credit authorized by AS 38.05.180(i), the commissioner may give an
 10 exploration incentive credit for each of the following activities performed on land in the state
 11 except land described in (b) of this section:

- 12 (1) geophysical work on land that is not subject to a credit under AS 38.05.180(i);
 13 (2) drilling a stratigraphic test well; and
 14 (3) drilling an exploratory well.

1 (b) The provisions of this section do not apply to the Cook Inlet sedimentary basin or
2 the North Slope sedimentary basin. The Department of Natural Resources shall, by regulation,
3 provide legal descriptions for each of these two basins.

4 (c) An exploration incentive credit authorized by (a) of this section may be applied
5 against

6 (1) a payment or obligation against which the credit authorized by
7 AS 38.05.180(i) may be claimed;

8 (2) taxes payable under AS 43.20; and

9 (3) oil and gas bonus payments due the state under AS 38.05.180(f).

10 (d) An exploration incentive credit authorized by (a) of this section is available only if

11 (1) a stratigraphic test well or exploratory well is drilled or geophysical work is
12 carried out after the effective date of this Act and before July 1, 1997;

13 (2) copies of all raw and processed data derived from drilling a stratigraphic test
14 well or exploratory well or performing geophysical work are made available to the commissioner
15 within 30 days following its availability; the provisions of AS 38.05.035(a)(9)(C) apply to data
16 obtained by the commissioner under this paragraph, except that the commissioner may, in the
17 commissioner's discretion, make that geophysical data available to third parties if the
18 commissioner determines that disclosure of the data is necessary to generate interest in the
19 affected state land; and

20 (3) application for the credit is made to the commissioner and is approved by the
21 commissioner before the drilling or geophysical work commences.

22 (e) An exploration incentive credit authorized by (a) of this section shall be based on
23 costs approved by the commissioner, and may not exceed 50 percent of the costs of

24 (1) geophysical work performed;

25 (2) drilling the stratigraphic test well; or

26 (3) drilling the exploratory well.

27 (f) The total of all credits approved by the commissioner under this section may not
28 exceed \$30,000,000. Credits shall be used during a limited period established by the
29 commissioner and may be assigned during that period.

30 (g) Amounts due the permanent fund under AS 37.13.010 shall be calculated before the
31 application of credits under this section.

1 (h) In this section,

2 (1) "commissioner" means the commissioner of natural resources;

3 (2) "exploratory well" means a well drilled for the purpose of oil and gas
4 exploration that is

5 (A) located three miles or more from another well drilled for oil and gas
6 with all distances measured as the horizontal distance between exploration targets; or

7 (B) within three miles of a well drilled for oil and gas, but tests potential
8 hydrocarbon traps that the commissioner, after analyzing evidence submitted by the lessee
9 and other information, determines constitute a distinctly separate exploration target;

10 (3) "geophysical work"

11 (A) means all geophysical methods used in hydrocarbon exploration and
12 for the determination of geologic hazards;

13 (B) includes seismic, gravity, magnetic, and electromagnetic
14 measurements;

15 (4) "stratigraphic test well" means a well drilled to a sufficient depth to measure
16 the geologic, geophysical, and engineering parameters used for determining an area's oil and gas
17 potential.

18 * Sec. 2. PROVISIONS NOT APPLICABLE TO AS 38.05.180(i). The provisions of AS 38.95.300,
19 added by sec. 1 of this Act, do not affect AS 38.05.180(i).

20 * Sec. 3. This Act takes effect immediately under AS 01.10.070(c).

This note is a 1992 update of note #1

**STATE OF ALASKA
1992 LEGISLATIVE SESSION**

BILL NO. SB 302

Revision Date: January 21, 1992

Department Affected: Natural Resources

Title: Stratigraphic Test Well Credits

BRU: Natural Resources

Components: Petroleum Management

Sponsor: Rules for Governor

Requestor: Senate Oil & Gas

COMPONENT SERIAL NO. 439

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND&STRUCTURES						
GRANTS,CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL						
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REVENUE						
Funding Source:						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
Funding Source:						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of Current year impact: -0-

ANALYSIS: (Attach a separate page if necessary)

Would allow up to \$20 million in credits against royalty and tax payments for drilling stratigraphic test wells and providing the information to the state.

Prepared by: Carol Wilson

Phone: 465-2400

Division: Commissioner's Office

Date: 21-Jan-92

Approved by Commissioner: HC Heinze

Date: 21-Jan-92

Agency: Department of Natural Resources

Distribution (by preparer) : Legislative Finance, legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

FISCAL NOTE

Bill Version: SP 102

(S) Publish Date: 5/7/91

STATE OF ALASKA
1991 LEGISLATIVE SESSION

Revision Date: _____ Department Affected: Revenue/Natural Resources

Title: "An Act related to credits against BRU: Revenue Operations

certain payments due the state, ..." Component: Oil & Gas Audit

Sponsor: Rules Committee by request of Governor

Requestor: _____ COMPONENT SERIAL NO.

	1	1	5
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Expenditures/Revenues: (Thousands of Dollars)

OPERATING:	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING:						

CAPITAL						
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REVENUE:	- - - (\$0)	(\$20mm) -	0	0	0	0
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FUNDING: (Thousands of Dollars)

GENERAL FUND	- - - (\$0)	(\$20mm) -	0	0	0	0
FEDERAL FUNDS						
OTHER						
TOTAL	- - - (\$0)	(\$20mm) -	0	0	0	0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: 0

ANALYSIS: (Attach a separate page if necessary.)

(see attachment)

Prepared By: Roger Marks *R. Marks* Phone: 277-5627
Division: Oil & Gas Audit Date: 5/10/91

Approved by Commissioner: _____ Date: 5-12-91
Agency: _____

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

Analysis:

"An act relating to credits against certain payments due the state, earned by drilling stratigraphic test wells on unleased land; and providing for an effective date."

This bill would give exploratory incentive credits, in the form of reductions in existing royalty or tax obligations to the state, for drilling stratigraphic test wells (or conducting other similar testing) on unleased state acreage. Under the Alaska Statehood Act the state must complete its land selections by January 1994. This bill provides drilling incentives so that the state would have more information on resource potential for making its selections. Stratigraphic test wells are drilled off structure and are explicitly designed not to find oil, but to gather geological information on the area. Usually companies pool funds to make such tests.

The credit would only be available for work done between July 1, 1991, and March 1, 1993. There is a \$20 million cap on total credits that can be granted for all work. Credits cannot exceed 50 percent of the cost of the work, and a credit cannot exceed 50 percent of the payment toward which it is being applied.

It is possible that the entire \$20 million ceiling would not be reached and the direct cost to the state would be less. The bill is targeted toward interior basins whose resource potential is poor to moderate. Therefore the expected return from testing may still not be sufficient to justify testing, even with the credit. No such tests have been performed without the credit over the last several years. The estimated cost of a stratigraphic test well is approximately \$8 million. Therefore it would take five such wells to obtain the \$20 million limit.

FISCAL NOTE

No. 4

STATE OF ALASKA
1992 LEGISLATIVE SESSION

Bill Version: CSSA 302(O+G)

(S) Publish Date: 4-15-92

Revision Date: April 15, 1992

Department Affected: Revenue

Title: Relating to exploration incentive credits...

BRU: Revenue Operations

Component: Oil & Gas Audit

Sponsor: Sen Rules by Request of Governor

Component Serial No.

Requestor: Sen O&G

0	1	1	5
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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL						
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REVENUE FUND SOURCE	(\$0 - \$50mm)	(\$0 - \$50mm)	(\$0 - \$50mm)	(\$0 - \$50mm)	(\$0 - \$50mm)	(\$0 - \$50mm)

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER FUND SOURCE						
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: 0

ANALYSIS:

Prepared by: Rod Mourant

Phone: 465-2300

Division: Commissioner's Office

Date: 4/15/92

Approved by Commissioner: [Signature]

DARRYL S. REYNOLDS

Agency: Revenue

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

STATE OF ALASKA

DEPT. OF NATURAL RESOURCES

DIVISION OF OIL AND GAS

cc: CW → Bill
WALTER J. HICKEL, GOVERNOR

P.O. BOX 107034
ANCHORAGE, ALASKA 99510-7034
PHONE: (907) 762-2553

(907)762-2547

July 3, 1991

The Honorable Mike Navarre
Alaska State Legislature
P. O. Box 169
Kenai, Alaska 99611

COMMISSIONER'S OFFICE
JUNEAU

JUL 08 1991

DEPARTMENT OF
NATURAL RESOURCES

Dear Representative Navarre:

Thank you for inquiring about the proposed legislation (HB 339/SB 302) ^{File} which would enable the State to apply Exploration Incentive Credits to stratigraphic test wells. I have tried to address each question you have asked as fully as possible. However, should you have any other concerns, don't hesitate to ask.

1. The purpose of the proposed stratigraphic test well(s), possibly with accompanying seismic, is to give the state subsurface information important for evaluating the hydrocarbon potential of one or more interior sedimentary basins. Very little is known about the subsurface geology of the state's interior basins. As the state moves forward with its final selection of BLM lands for conveyance, stratigraphic tests in these basins will provide important information as to their resource potential. One company has suggested a well that would be drilled to approximately 6500 feet using a slim-hole core rig. EICs for such a well would total about \$4 million.
2. Stratigraphic tests are regularly performed by industry, with all the OCS basins in Alaska being drilled one or more times before actual leasing. The only stratigraphic test to have been drilled on state land was the Reindeer Island well drilled prior to the joint Federal-State Lease Sale in 1979. In this particular case, the offshore leasing benefitted more from the information this well generated. In any case, the well provided important subsurface information used to evaluate surrounding state and federal acreage.
3. Currently no specific well locations have been proposed by industry, although the Department of Natural Resources is encouraging activity in the interior basins.
4. The attached table listing the EICs paid to date lists only exploratory wells. To date, EICs have not been paid for geophysical work. As of the moment only one company, MAXUS, is getting any money from the state for old EICs. Most of its credits were assigned. MAXUS gets about \$19 thousand per month for its outstanding EICs credited towards rents. MAXUS has no royalties or taxes to pay.

As to direct benefits to the state in the form of new or enhanced production, there are none to date. However, an oil discovery in the Colville Delta area was the result of an EIC well followed by three additional EIC wells in the area. No development plans have been announced to date. Indirect benefits include increased bonus bids on EIC tracts and

July 3, 1991

information obtained from drilling these wells. Theoretically, the companies are adjusting their bonus bid for leases where EICs apply for an amount that would approximate the real value of the EIC.

The state is sharing in the geological risk of a dry hole, however, and has to pay for it. Without the EIC, the risks are shared disproportionately. Furthermore, since the intention of the EIC is to encourage exploration in areas that are not very prospective (areas with a high dry hole risk), it should not be too surprising that many of the EIC wells drilled have not led to immediate development. In the areas where EIC wells have been drilled, the information from these wells has been used by the state to evaluate the surrounding lands.

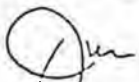
5. Exploration and development costs in Alaska are among the highest in the world. The EIC program is intended to mitigate these costs and to provide a mechanism whereby the risks of prospecting here are shared between the lessee and the state. Industry has drilled 10 wells under the program that might not have been drilled (or would not have been drilled at the time) without EICs. Information from these wells may have devalued some property, but even bad news has value.

6. The Federal government does not have an EIC program.

7. The ability of one firm to assign its EICs to another is an extremely important aspect of the program. An EIC is devalued (and, hence, the price initially received for it by the state in the form of a higher bonus bid) if it can be sold to only one customer, i.e., the state. By allowing firms to sell their EICs through assignments, a recipient can expect to receive full value for the EIC, appropriately discounted to reflect the time value of money and any transaction costs. By allowing firms to assign EICs, companies that don't currently own any producing state oil leases still benefit, and benefit in a timely way. Any restrictions placed on the assignment of EICs will reduce their value by reducing their liquidity. The state would ultimately receive less in bonus bids for EIC leases and the incentive to explore would be reduced.

I hope this helps. As you can see, benefits from a program such as the EIC are difficult to express in dollars, and the real benefits may be yet to come. If you have any further questions, we will be happy to meet with you.

Sincerely,


James Eason
Director

Attachment

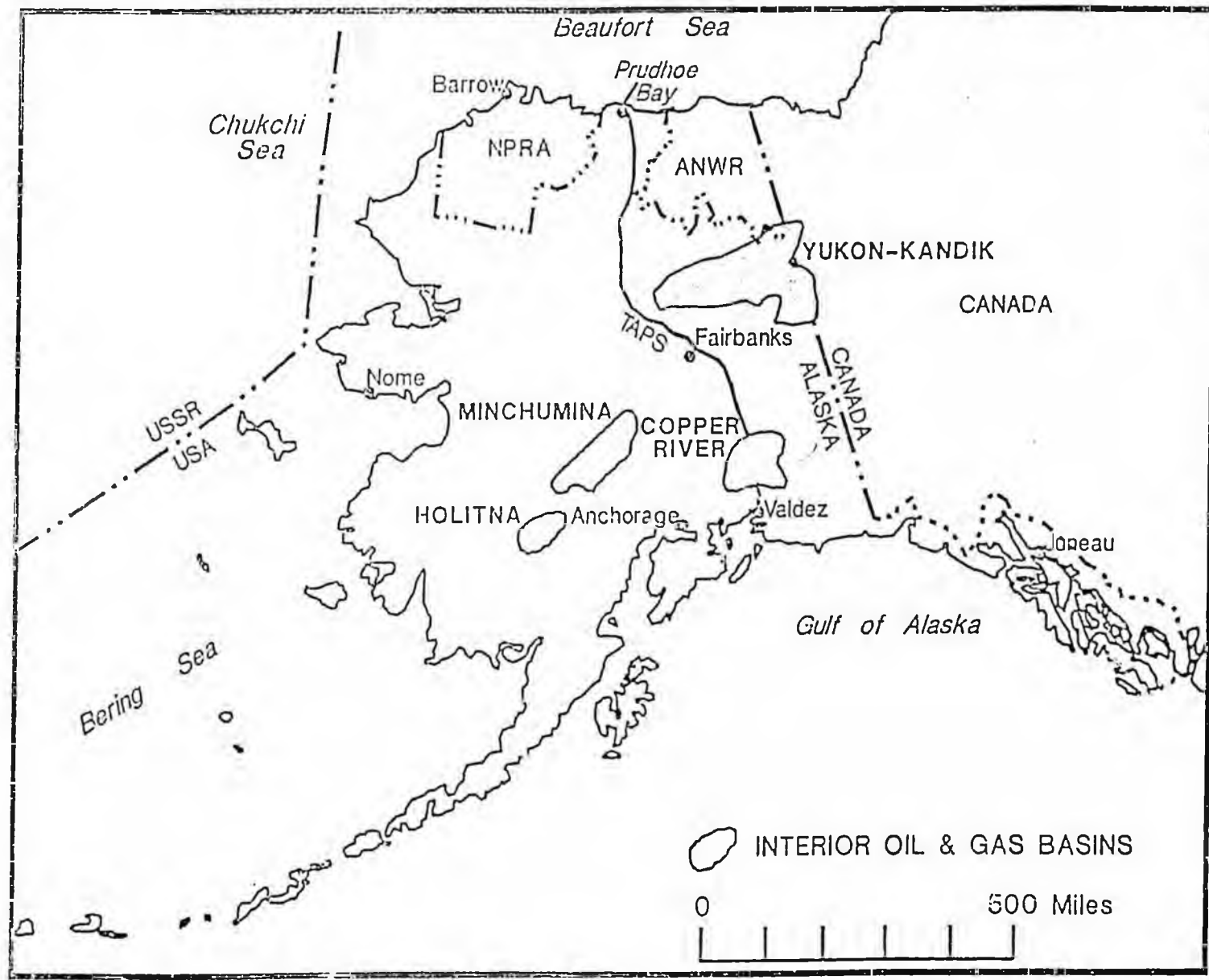
cc: Harold C. Heinze, Commissioner, DNR

EXPLORATION INCENTIVE CREDITS
Report Month: November 1990

ADL	WELL	COMPANY	CERTIFICATION DATE	TOTAL AMOUNT
343109	G-2 Well	Exxon	10/05/83	56,197,625.00
		Standard Alaska	12/27/83	4,152,408.75
		BP&E	10/05/83	2,045,216.25
344010	Leffingwell	Arco	10/02/84	3,706,000.00
		Union	10/02/84	3,706,000.00
344033	J-1 Well	Exxon	10/31/84	5,119,500.00
355005	Long Island Well	Exxon	11/14/84	1,378,076.00
		Standard Alaska	11/14/84	1,378,076.00
245126	Totek Hills	Arco Alaska	08/02/85	715,530.81
355037	Colville Delta #1	Texaco	07/09/86	637,500.00
		Amerada Hess	07/09/86	888,594.00
		Diamond Shamrock (A)	07/09/86	100,128.00
		Mobil	02/05/87	432,511.00
		Placid Oil (C)	07/09/86	314,679.00
		Union Texas (B)	07/09/86	475,631.00
		Rosewood Resources	07/09/86	12,662.00
		Hunt Pet Co.	07/09/86	11,213.00
364478	Colville Delta Area AHC 25-13-6 #1 Well	Amerada Hess	10/12/87	677,853.00
		Union Texas (G)	10/12/87	508,390.00
		Texaco	10/12/87	225,951.00
		Maxus Expl. (G)	10/12/87	146,757.41
		Placid Oil	10/12/87	129,115.00
		Rosewood Res.	10/12/87	21,360.00
		Hunt Pet Co. (G)	10/12/87	18,987.00
Texaco (E)	02/01/88	79,193.59		
355038	Colville Delta #2	Amerada Hess	10/28/87	757,731.46
		Union Texas (G)	10/28/87	205,106.95
		Texaco	10/28/87	273,475.93
		Maxus Expl. (F)	10/28/87	273,475.93
		Placid Oil (H)	10/28/87	423,982.26
		Rosewood Res. (D)	10/28/87	77,561.49
		Hut Pet Co. (G)	10/28/87	68,943.50
355039	Colville Delta #3	Amerada Hess	10/28/87	364,048.13
		Union Texas (G)	10/28/87	91,012.03
		Texaco	10/28/87	364,048.13
		Maxus Expl. (G)	10/28/87	364,048.13
		Placid Oil (H)	10/28/87	178,918.37
		Rosewood Res. (D)	10/28/87	34,416.31
344176	Gyr #1	Arco Alaska, Inc.	11/15/90	719,560.56
		Conoco	11/15/90	761,481.20
		Amerada Hess	11/15/90	761,481.20
GRAND TOTAL				538,828,841.67

- (A) Assigned \$432,511 of EIC to Mobil Oil Corp. effective 02/05/87
 (B) Assigned entire EIC to BP Alaska effective 02/03/87
 (C) Assigned entire EIC to Texaco Inc. effective 03/31/87
 (D) Assigned entire EIC to Texaco Producing Inc. effective 01/01/88
 (E) Assigned \$79,193.59 of EIC to Texaco Producing Inc. effective 02/01/88
 (F) Assigned entire EIC to Texaco Producing Inc. effective 02/01/88
 (G) Assigned entire EIC to Texaco Producing Inc. effective 05/17/88
 (H) Assigned entire EIC to Standard Alaska effective 05/17/88

Source: Alaska Department of Natural Resources, Division of Oil and Gas



WALTER J. HICKEL
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

May 17, 1991

302

The Honorable Richard I. Eliason
President of the Senate
P.O. Box V
Juneau, AK 99811

Dear President Eliason:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to credits for drilling stratigraphic test wells. The bill authorizes the commissioner of natural resources to extend exploration incentive credits under AS 38.05.180(i) to persons drilling stratigraphic test wells between July 1, 1991 and July 1, 1993 on land in the state.

Currently, AS 38.05.180(i) permits the commissioner to grant oil and gas lessees credits against royalty and tax payments due the state. The credits are limited to one-half of a lessee's costs for drilling an exploratory well or performing geophysical work.

The purpose of the new credits is to encourage the drilling of stratigraphic test wells on land not currently under oil or gas lease. In an effort to obtain information that would help the state complete, by January 1994, its selection of land under the Alaska Statehood Act, all the major oil and gas companies operating in the state have already been asked to consider drilling stratigraphic test wells on unleased land; none are motivated in the absence of credits.

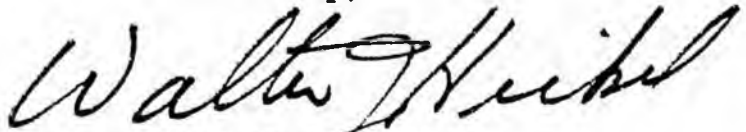
The bill requires the driller to provide the state with well data before a credit is approved. This assures that no credit will be granted unless the state receives, in exchange for the credit, information bearing on the selection of land under the Alaska Statehood Act.

The total of all credits granted for drilling stratigraphic test wells may not exceed \$20,000,000. If drillers' costs approved for credit exceed \$20,000,000, then \$20,000,000 in credits would be pro-rated among the drillers on the basis of approved costs.

The Honorable Richard Eliason - 2 -

AS 38.05.180(i) is rewritten by the bill to prevent that subsection from becoming unduly cumbersome through the addition of the language providing for the new credits. No substantive change has been made in the existing provisions.

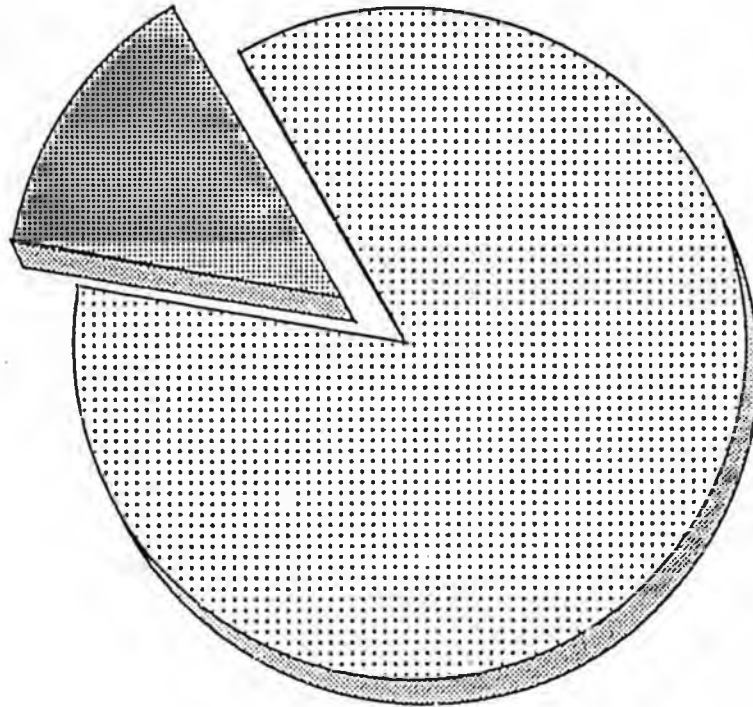
Sincerely,

A handwritten signature in cursive script, reading "Walter J. Hickel". The signature is written in dark ink and is positioned above the typed name and title.

Walter J. Hickel
Governor

Where Our Money Comes From

Non-Petroleum
(14%)



Petroleum
(86%)

Major Sources of Income (In 1991):

BONUS:	\$38.3 Million
RENTS:	\$21.3 Million
ROYALTIES:	\$1.26 Billion
TAXES:	\$1.28 Billion

EIC SALES

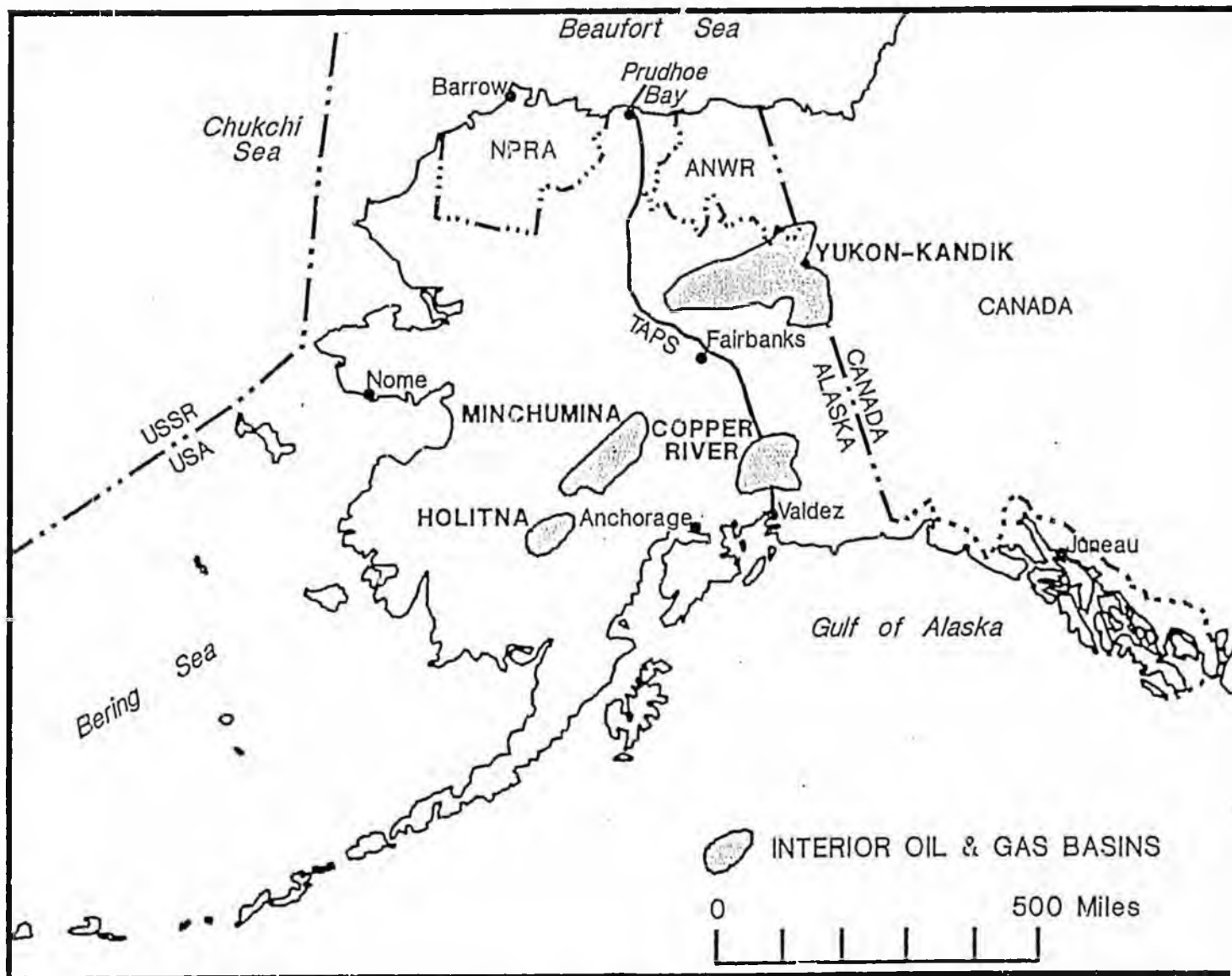
Sale 43/43A	Beaufort Sea/Colville River Delta/Prudhoe Bay Uplands	May 22, 1984
<u>Tracts</u>	<u>EIC</u>	
43A-70 - 78	\$ 1,200/ft drilled to 30% of well costs, 1st well/tract, 10 yr limit	
43A-79 - 84	\$375/ft drilled to 30% of well costs, 1st well/tract, 10 yr limit	
Sale 65	Beaufort Sea	June 4, 1991
All tracts	\$1,000/ft drilled up to 15% of well costs, 1st well/tract, 5yr limit	
Sale 67A	Cook Inlet Exempt	January 29, 1991
All tracts	\$200/ft drilled to 20% of well costs, 1 well /tract, 3 yr limit	
Sale 70A	Kuparuk Uplands Exempt	January 29, 1991
All tracts	\$300/ft drilled to 20% of well costs, 1 well /tract, 5 yr limit	
Sale 74	Cook Inlet	September 24, 1991
All tracts	\$200/ft drilled to 20% of well costs, 1 well /tract, 3 yr limit	

EXPLORATION INCENTIVE CREDITS
Report Month: February 1992

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343109	G-2 Well	Exxon	10/05/83	\$6,197,625.00
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344176	Gyr #1	Arco Alaska, Inc.	11/ /90	719,560.56
		Conoco	11/ /90	761,481.20
		Amerada Hess	11/ /90	761,481.20
		Arco Alaska, Inc.	01/92	16,151.00
		Conoco	01/92	9,479.94
		Amerada Hess	01/92	9,479.93
GRAND TOTAL				\$38,863,952.54

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Source: Alaska Department of Natural Resources, Division of Oil and Gas



SB308

SENATE FINANCE COMMITTEE REPORT

DATE: 3/6/92

FURTHER:

DATE TURNED INTO OFFICE: _____

The Finance Committee considered

SENATE BILL NO. 308

"An Act relating to the provision of group life and health insurance for state employees by means of self-insurance; and to payment of administrative costs of providing group health and life insurance for state employees."

DIED

and recommends:

replace with _____ CS _____ (FINANCE)

or adopt previous _____ CS _____ (_____)

attaches amendment(s)

same title
 new title
 technical title change (HB only)

adopts _____ Letter of Intent

further referral to the _____

do pass

do not pass

no recommendation

individual recommendations

NEW FISCAL NOTES: Dept/Date

zero fiscal notes _____

fiscal notes _____

appropriation--no fiscal note

DO PASS:

PREVIOUS FISCAL NOTES: Dept/Date

zero fiscal notes _____

fiscal notes _____

OTHER RECOMMENDATIONS:

1. _____
Co-Chair: Signature/Recommendation

2. _____
Co-Chair: Signature/Recommendation