

SCOMM

133:10

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: HB 279
 (H) Publish Date: 4/22/03

Revision Date/Time (Note if correction): _____ Dept. Affected: Revenue
 Title Alaska Natural Gas BRU Administration and Support
Development Authority Component Commissioner's Office
 Sponsor Rules Committee
 Requester Governor Component No. 123

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Personal Services	87.0					
Travel	13.0					
Contractual	50.0					
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	150.0	0.0	0.0	0.0	0.0	0.0

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

1002 Federal Receipts						
1003 GF Match						
1004 GF	150.0					
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	150.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2003) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal: ☐

POSITIONS

Full-time	1					
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This legislation would expand the scope of work for the Alaska Natural Gas Development Authority to allow the voter-approved authority to consider a natural gas pipeline to the Lower 48, in addition to considering a pipeline to Prince William Sound for the export of liquefied natural gas. This legislation also would require the new Authority to produce a work plan by Jan. 1, 2004.

The General Fund budget request for FY2004 would cover the salary of one staff person (Range 23 executive director), travel for the director and the board of directors, and contractual expenses for the Authority to complete its work assignment in six months.

Prepared by: Larry Persily, Deputy Commissioner Phone 465-5469
 Division: Department of Revenue Date/Time 4/21/03 2:45 PM
 Approved by: Bill Corbus, Commissioner Date 4/21/2003
 Agency: Department of Revenue

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April 17, 2003

The Honorable Pete Kott
Speaker of the House
Alaska State Legislature
State Capitol, Room 208
Juneau, AK 99801-1182

Dear Speaker Kott:

Under authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill that would amend the Alaska Natural Gas Development Authority Act (Act) (AS 41.41). This bill would amend the Act to expand the scope of projects that the Alaska Natural Gas Development Authority (authority) may consider. Under current law, the authority is required to develop a project plan within one year for a gas transmission pipeline running from the North Slope to tidewater at a point on Prince William Sound. There may, however, be other projects that are economically viable to bring Alaska gas to market, including a gas transmission line from the North Slope to the Canadian border along the route of the Alaska Highway. The State of Alaska's approach to considering these potential projects should be consistent. The authority is, therefore, an appropriate vehicle to consider and plan for all economically viable projects that run from the North Slope by a route that parallels the Trans Alaska Pipeline System or the Alaska Highway.

Section 1 of the bill includes legislative findings and intent that it is in the best interests of the State of Alaska to expand the purpose of the authority to include in its planning and operation any economically viable gas pipeline project from the North Slope by a route that parallels the Trans Alaska Pipeline System or the Alaska Highway.

Section 2 of the bill would broaden the concept of what an essential government function is under the Act to beyond the acquisition and delivery of North Slope gas to tidewater.

Sections 3 and 4 of the bill clarify that the authority may acquire federal, state, or local permits as property of the authority under standards set out in AS 41.41.450, but the authority is not required to make any acquisition of property.

The Honorable Pete Kott

April 17, 2003

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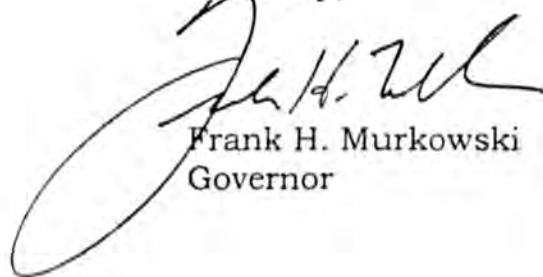
Section 5 of the bill would expand the definition of "project" to include any project that follows a route that parallels the Trans Alaska Pipeline System or the Alaska Highway.

Section 6 of the bill would replace the timeframe for production of a development plan for a gas pipeline project with a specific date for production of a work plan, which must include detailed budgeting and scheduling information. Requiring the authority to produce a detailed work plan by January 1, 2004 will facilitate delivery of a comprehensive development plan.

I believe that these amendments will enhance the State of Alaska's ability to promote the most viable project or projects to successfully bring Alaska's vast gas reserves to market.

I urge your prompt and favorable action on this measure.

Sincerely,

A handwritten signature in dark ink, appearing to read "Frank H. Murkowski", is written over the printed name and title.

Frank H. Murkowski
Governor