

STATE OF ALASKA

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March 29, 2007

The Honorable Sarah Palin
Governor
State of Alaska
P.O. Box 110001
Juneau, Alaska 99811-0001

Re: CSSB 82(FIN) -- making supplemental appropriations and other appropriations and amending the lapse dates of certain appropriations
Our file: 883-07-0012

Dear Governor Palin:

At the request of your legislative director, we have reviewed CSSB 82(FIN), making supplemental appropriations to the Department of Law, the Department of Natural Resources, the Department of Revenue, and the Department Commerce, Community, and Economic Development.

Section 1 of the bill would appropriate \$21,500,000 from the general fund to the Department of Law for work related to the proposed gas pipeline and to other oil and gas projects.

Section 2 of the bill would appropriate \$6,550,000 from the general fund to the Department of Natural Resources for analysis related to the proposed gas pipeline. This section also would appropriate \$1,500,000 from the general fund to the Department of Natural Resource to finance oil and gas lease litigation. This provision was included because the Department of Natural Resources occasionally engages experts who are later used by the state in litigation.

Section 3 of the bill would appropriate \$3,000,000 from the general fund to the Department of Revenue for work related to the commercialization of North Slope gas. This section also would appropriate \$521,700 from the general fund for implementation of the petroleum production tax. Finally this section would appropriate the "amount

necessary" to issue tax credits for capital expenditures as set out in the petroleum production tax.

Section 4 of the bill would amend the lapse date of certain appropriations that would have otherwise lapsed at the end of the current fiscal year.

Section 5 of the bill would appropriate \$576,318 from seafood marketing related program receipts to the Department of Commerce, Community, and Economic Development, Alaska Seafood Marketing Institute for expansion of the national consumer marketing campaign. It also would appropriate \$1,423,682 from the general fund to the Department of Commerce, Community, and Economic Development, Alaska Seafood Marketing Institute for expansion of the national consumer marketing campaign.

Section 6 of the bill would convert appropriations described in secs. 1, 2, and 3(a) of the bill from one-year appropriations to appropriations lapsing as provided under AS 37.25.020.

Section 7 of the bill would make certain of the appropriations retroactive.

Section 8 of the bill would make the appropriation in sec. 2(a) contingent upon the passage by the Twenty-Fifth Alaska State Legislature of an Alaska Gasline Inducement Act.

Section 9 of the bill would provide for a retroactive effective date for sec. 5 of the bill.

Section 10 of the bill would provide for an immediate effective date, with the exception of sec. 9, described above.

We find no constitutional or legal concerns with this bill.

Sincerely,

Talis J. Colberg
Attorney General