

# CSHB 361(RES): DISPOSALS OF STATE RESOURCES

## SUMMARY OF CHANGES

FOR THE HOUSE FINANCE COMMITTEE • MARCH 21, 2012

**This document summarizes the changes between HB 361 (27-GH2717\A) and CSHB361(RES) (27-GH2717\M).**

**Section 11** is a new section that amends AS 38.05.115 to make it consistent with other changes captured in HB361 that separate the timber and material sales. All provisions necessary for material sales have already been addressed in AS 38.05.550 – 565, AS 38.05.810 and AS 38.05.872.

The limitations of volumes on timber sales have not been carried over because of the revised process for material sales. Material sites will be designated through best interest decisions and with public notice per AS 38.05.550. When designating a site with a defined boundary, DNR will notify the public that all the materials will be sold from the site through subsequent sales. The subsequent negotiated material sales made at the representative regional sales price from those designated sites will not need a size limitation as long as the extraction is from the existing designated site.

Because of the insertion of this section, all of the following sections had to be renumbered.

**Section 15** was modified in the following two ways:

In **AS 38.05.550(a)**, the words “in fee” were removed to eliminate the unintended consequence of limiting material sales where the state does not own the land “in fee”. This terminology is typically used to explain that the owner does not own all of the rights. For instance, if the state owns the surface estate but not the mineral estate, it can be stated that the state does not own the land in fee; however, DNR would be able to sell material from that land. In the realm of ownership, the state can sell material from any surface estate land that it owns, whether Tentatively Approved or Patented.

A new subsection **AS 38.05.555(f)** was inserted to incentivize the use and sale of peat to create another alternative fuel for heat and power generation. This amendment addresses three levels of use. First it provides personal use of a limited amount of peat at no cost to encourage more people to use peat. Second it allows commercial use of peat at no cost for an initial volume of less than 30,000 cubic yards in a 10 year period in order to encourage businesses to invest in product and market development of commercial peat production. So as to not dampen those developing markets, the amendment further allows the next ten years of peat extraction or those applicants who initially apply for over 30,000 cubic yards to be sold at a 20% value.

**Section 21** was amended in order to revert part of the materials definition language back to the original language that exists in statute. This is mostly precautionary so that the public does not infer by the replacement of “stone, pumice, and common clay” with “quarry stone” as being a legislative action to remove pumice, common clay and non-quarry stone as being included in the definition.

This does not change the legal implications because the word “includes” is legally read as “the following are examples but are not limited to these examples”.

**Section 22** is a new section that separates out material sales from this statute. This statute guides actions in the Recreational Rivers Public Use Area. There was a conflict with a reference to AS 38.05.115 once material sales were separated out in that section. Nothing in the allowable management of these lands is affected by the removal of the reference to materials in this statute.

Because of the insertion of this section, all of the following sections had to be renumbered.