

Fiscal Note

State of Alaska
2017 Legislative Session

Bill Version: HB 14
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB014-DNR-MLW-04-21-17
Title: LEG. APPROVAL OF BRISTOL BAY SULFIDE
MINE
Sponsor: JOSEPHSON
Requester: House Fisheries

Department: Department of Natural Resources
Appropriation: Fire Suppression, Land & Water Resources
Allocation: Mining, Land & Water
OMB Component Number: 3002

Expenditures/Revenues

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

(Thousands of Dollars)

	FY2018 Appropriation Requested	Included in Governor's FY2018 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2018	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Personal Services							
Travel							
Services			5.0	5.0		250.0	45.0
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	0.0	0.0	5.0	5.0	0.0	250.0	45.0

Fund Source (Operating Only)

1004 Gen Fund (UGF)			5.0	5.0		250.0	45.0
Total	0.0	0.0	5.0	5.0	0.0	250.0	45.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2017) cost: 0.0 (separate supplemental appropriation required)
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2018) cost: 0.0 (separate capital appropriation required)
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes
If yes, by what date are the regulations to be adopted, amended or repealed? 06/30/20

Why this fiscal note differs from previous version:

Initial version.

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Agency: Department of Natural Resources
Phone: (907)269-8625
Date: 04/21/2017 01:00 PM
Date: 04/21/17

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2017 LEGISLATIVE SESSION

BILL NO. HB 14

Analysis

Under Sec. 2, The commissioner of Department of Natural Resources (DNR) would be required to make an independent finding that the applicant for a large-scale metallic sulfide mining operation located within the watershed of the Bristol Bay Fisheries Reserve has proven beyond a reasonable doubt that the proposed mine permit does not constitute a danger to the fisheries, fish or wildlife.

Because DNR does not employ subject matter experts in fisheries or water quality, DNR will be required to contract for private subject matter experts in these fields to complete those elements of the finding. To contract for these services, DNR anticipates the need for \$250.0 thousand to have the capacity to prepare the required findings and reports and \$45.0 thousand per year thereafter for technical and legal support. It is uncertain when this would begin, however it is likely that it would take at least two years minimum to go through the permitting. Therefore, the expected cost incurred will not begin until at least FY2022.

Proposed AS 38.05.142(b) requires DNR to adopt regulations to implement this section of law. Although there is no due date, it is anticipated that we would have to hire a contractor to help craft and promulgate these regulations by the end at a cost of \$5.0 thousand in FY2019 and FY2020 to accomplish this task.