

# Fiscal Note

State of Alaska  
2014 Legislative Session

Bill Version: SB 106  
Fiscal Note Number: \_\_\_\_\_  
( ) Publish Date: \_\_\_\_\_

Identifier: SB106-DNR-MLW-2-22-14  
Title: STATE LAND DISP./LEASEHOLDER  
PREFERENCE  
Sponsor: MEYER  
Requester: Senate State Affairs

Department: Department of Natural Resources  
Appropriation: 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)

	FY2015 Appropriation Requested	Included in Governor's FY2015 Request	Out-Year Cost Estimates				
	FY 2015	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
<b>OPERATING EXPENDITURES</b>							
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
<b>Total Operating</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

## Fund Source (Operating Only)

None							
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

## Positions

Full-time							
Part-time							
Temporary							

<b>Change in Revenues</b>							
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**Estimated SUPPLEMENTAL (FY2014) cost:** 0.0 *(separate supplemental appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**Estimated CAPITAL (FY2015) 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? No  
If yes, by what date are the regulations to be adopted, amended or repealed? N/A

## Why this fiscal note differs from previous version:

Initial Version
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Division:	Mining, Land and Water	Date:	02/22/2014 12:00 PM
Approved By:	Joe Balash, Commissioner	Date:	02/22/14
Agency:	Department of Natural Resources		

FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2014 LEGISLATIVE SESSION

BILL NO. SB106

**Analysis**

Section 2 adds an additional non-competitive preference right under AS 38.05.035(p) for entities that have state leases on land where there is an active municipal entitlement selection to purchase up to five acres of those leased lands. The preference right sale is mandatory except for one condition that allows for rejection if there is interference with public use by residents of the area. The lessee must meet certain criteria to qualify for the preference right. The Department of Natural Resources (DNR) would separately account for the revenue from the sale and the legislature may appropriate the proceeds to the municipality that selected the land.

Section 2 also adds a new subsection AS 38.05.035(q) which clarifies the type of business purpose used to qualify for the preference right applies to preference rights sales under AS 38.05.035(f) and (p). Section 1 makes a conforming amendment to AS 38.05.035(f) to reflect this change.

DNR does not anticipate needing additional resources to fulfill the provisions of the bill. DNR does not anticipate any loss of revenue from these lands as the lease revenues would have transferred to the municipality if conveyed and if sold under the preference right, the sales will be conducted at appraised fair market value.