

FISCAL NOTE

STATE OF ALASKA
2014 LEGISLATIVE SESSION

Bill Version SSHB194
 Fiscal Note Number _____
 () Publish Date _____

Identifier (file name) HB194SS-DNR-MLW-3-8-14 Dept. Affected Natural Resources
 Title RIGHTS-OF-WAY Appropriation Land & Water Resources
 Allocation Mining, Land and Water
 Sponsor Representative Foster
 Requester House Transportation OMB Component Number 3002

Expenditures/Revenues (Thousands of Dollars)

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

	FY15 Appropriation Requested	Included in Governor's FY15 Request	Out-Year Cost Estimates				
			FY16	FY17	FY18	FY19	FY20
OPERATING EXPENDITURES	FY15	FY15	FY16	FY17	FY18	FY19	FY20
Personal Services	***	0.0	***	***	***	***	***
Travel							
Services							
Commodities							
Capital Outlay							
Grants, Benefits							
Miscellaneous							
TOTAL OPERATING	***	0.0	***	***	***	***	***

FUND SOURCE		(Thousands of Dollars)					
1002	Federal Receipts		0.0				
1003	GF Match						
1004	GF						
1005	GF/Prgm (DGF)						
1007	I/A Rcpts (Other)						
1156	Rcpt Svcs (DGF)						
		***	0.0	***	***	***	***

POSITIONS							
Full-time							
Part-time							
Temporary							

CHANGE IN REVENUES	0.0	0.0	0.0	0.0	0.0	0.0	0.0
---------------------------	------------	------------	------------	------------	------------	------------	------------

Estimated SUPPLEMENTAL (FY14) operating costs 0.0 (separate supplemental appropriation required)
 (discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY15) costs 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 If yes, by what date are the regulations to be adopted, amended, or repealed?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 Discuss details in analysis section.

Why this fiscal note differs from previous version (if initial version, please note as such)

Initial Version

Prepared by Brent Goodrum, Director
 Division Mining, Land and Water
 Approved by Joe Balash, Commissioner
 Division Natural Resources

Phone 269-8600
 Date/Time 3/8/14 12:00 PM
 Date 3/8/2014

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. SSHB194

Analysis

SSHB 194 alters State-owned and historically vested property rights. The bill would limit the size, maintenance and use of R.S. 2477 rights-of-way, effectively relinquishing valuable state property interests with no compensation.

The precise fiscal impacts of this bill are indeterminate because by placing limitations on the State's existing property rights, it curtails public property interests that the State currently holds in trust for the benefit of all Alaskans. In addition, the loss of access and the value of that access to the state would be significant and should the state need to realign a right-of-way, the state would be required to repurchase the land relinquished through its condemnation authority under new AS 19.40.340(d).

The bill seeks to vacate portions of, and significantly alter the State's remaining interests in an R.S. 2477 right-of-way known as RST 633 (the Copper Center to Valdez Trail). That right-of-way and the State's interests in it is currently the subject of ongoing litigation in a case brought by Ahtna, Inc. against the State of Alaska. *See Ahtna, Inc., v. Alaska Dept. of Transp. & Public Facilities, et. al.*, Case No. 3AN-08-6337.

Second, the bill seeks to relinquish State-owned R.S. 2477 property interests which have already historically vested. Today, due to subsequent conveyance of lands which were once federally owned, in many instances R.S. 2477 rights-of-way now continue to exist across private ownership, including Alaska Native corporations. These rights-of-way serve as important legal access to resources and opportunities for all citizens of the State.

This bill would restrict the legal interests that the State presently possesses in R.S. 2477 rights-of-way by, among other things:

1. Narrowing their width;
2. Narrowing the methods and types of use which can occur on them, including limiting the rights-of-way to the mode, method and types of use which occurred as of R.S. 2477's repeal in 1976; and
3. Placing limitations on the State's ability to maintain and improve the rights-of-way.

DNR estimates that the State currently possesses in excess of 20,000 linear miles of codified R.S. 2477 rights-of-way. If uncoded routes were included, this number is likely closer to 26,600 miles. A significant percentage, but not all, of the codified routes are 100 feet in width. Of the acreage subject to a codified RST, at least 50% of that acreage is owned by native corporations or is privately owned. The bill seeks to limit RSTs on these lands to only 60' in width. The loss of right-of-way acreage to the state resulting from the diminished 40' of right-of-way on codified R.S. 2477s would at a minimum equate to 48,500 acres. (20,000 linear miles of codified RSTs x 5,280 ft/mile x 40 ft. width lost, divided by 43,560 s.f./acre x 50%). The loss of value of these routes to the state would exceed \$48.5 million assuming a basic cost of lands along public access of \$1,000 per acre.