

# Fiscal Note

State of Alaska  
2019 Legislative Session

Bill Version: HB 3  
Fiscal Note Number: \_\_\_\_\_  
( ) Publish Date: \_\_\_\_\_

Identifier: HB003SS-DNR-DMLW-03-22-19  
Title: STATE LAND SALE; PFD VOUCHER AND  
ASSIGN.  
Sponsor: RAUSCHER  
Requester: House Military & Veterans' Affairs

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)

	FY2020	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2020 Request	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
<b>OPERATING EXPENDITURES</b>	<b>FY 2020</b>	<b>FY 2020</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							

**Change in Revenues**

1153 State Land (DGF)	(85.3)		(85.3)	(85.3)	(85.3)	(85.3)	(85.3)
<b>Total</b>	<b>(85.3)</b>	<b>0.0</b>	<b>(85.3)</b>	<b>(85.3)</b>	<b>(85.3)</b>	<b>(85.3)</b>	<b>(85.3)</b>

Estimated SUPPLEMENTAL (FY2019) cost: 0.0 (separate supplemental appropriation required)

Estimated CAPITAL (FY2020) cost: 0.0 (separate capital appropriation required)

Does the bill create or modify a new fund or account? No  
(Supplemental/Capital/New Fund - 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If yes, by what date are the regulations to be adopted, amended or repealed?

**Why this fiscal note differs from previous version/comments:**

Not applicable, initial version based on the 2.13.19 Governor's FY20 request.

Prepared By: Marty Parsons, Director	Phone: (907)269-8625
Division: Mining, Land & Water	Date: 03/22/2019
Approved By: Fabienne Peter-Contesse, Administrative Services Director	Date: 03/22/19
Agency: Office of Management and Budget	

FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2019 LEGISLATIVE SESSION

BILL NO. SSHB 3

Analysis

Currently, an eligible veteran is entitled to receive a once-in-a-lifetime 25 percent discount to purchase state land that is classified for other than commercial or industrial use.

This legislation provides a new, once-in-a-lifetime, one-third discount on purchase of state land under Title 38 to veterans who use an electronic application to apply for and receive a current year Permanent Fund Dividend (PFD) and assign to the Department of Natural Resources (DNR) either all or a portion of the PFD equal to the price of the property being purchased, less an administrative fee. The 25 percent and one-third discounts may not be combined for the purchase of one parcel, but a veteran may purchase a second parcel using the one-third discount.

On average, DNR has sold 84 parcels a year of state land at an average price of \$18.3. DNR receives an annual average of \$1,537.2 revenue for the sale of state land, which is deposited into the Land Disposal Income Fund (LDIF).

Over 19 years of tracking the 25 percent veterans discount, veterans have purchased an average of 14 parcels of state land a year. DNR assumes the application rate for the veteran PFD discount will be approximately the same, given veterans who had previously purchased a parcel using the 25 percent discount may purchase a second parcel.

In initiating the PFD discount, DNR estimates a loss of LDIF revenue by:

	14 parcels per year
x	\$18.3 average price of land sold per year
x	<u>1/3 discount per parcel sold</u>
	\$85.3 loss of LDIF revenue per year