

Fiscal Note

State of Alaska
2020 Legislative Session

Bill Version: SB 155
Fiscal Note Number: _____
() Publish Date: _____

Identifier: SSSB155-DNR-MLW-2-4-20
Title: EXPLORATION & MINING RIGHTS; ANNUAL
LABOR
Sponsor: BISHOP
Requester: Senate Resources

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)

	FY2021 Appropriation Requested	Included in Governor's FY2021 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2021	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Personal Services	250.2		250.2	250.2	250.2	250.2	250.2
Travel							
Services							
Commodities	39.5		24.5	24.5	24.5	24.5	24.5
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	289.7	0.0	274.7	274.7	274.7	274.7	274.7

Fund Source (Operating Only)

1004 Gen Fund (UGF)	289.7		274.7	274.7	274.7	274.7	274.7
Total	289.7	0.0	274.7	274.7	274.7	274.7	274.7

Positions

Full-time	3.0		3.0	3.0	3.0	3.0	3.0
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2020) cost: 0.0 (separate supplemental appropriation required)

Estimated CAPITAL (FY2021) 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? Yes
If yes, by what date are the regulations to be adopted, amended or repealed? 03/30/21

Why this fiscal note differs from previous version/comments:

Not applicable, initial version.

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Division:	Mining, Land and Water	Date:	02/04/2020
Approved By:	Raquel Solomon-Gross, Administrative Services Director	Date:	02/04/20
Agency:	Office of Management and Budget		

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2020 LEGISLATIVE SESSION

BILL NO. SSSB 155

Analysis

SB 155 amends who, and which entities, may obtain and hold exploration and mining rights. It allows an unqualified person or one that may become unqualified to cure their defect in qualification or transfer the interest to a qualified person.

The bill changes the requirements for a mining location on State selected land, providing that a mining claim on state-selected land may be located only by or with the written and recorded permission of any holder of the unpatented federal mining claim.

The bill provides for a transition period in which the Department of Natural Resources (DNR) will adopt regulations consistent with the changes in this bill, and states that DNR may not declare a mining claim, leasehold location, or prospecting site abandoned under AS 38.05.265.

To implement this act DNR will need 2 additional Natural Resource Specialist IIs to research deficiencies in qualifications of mining right holders and annual labor affidavits, review deficiency assertions, issue written notices, adjudicate whether cures to these deficiencies have been made, issue decisions including whether or not a mining rights are voided or invalidated. DNR will also need one additional Natural Resource Specialist III to consider and adjudicate resulting appeals, and support the Dept. of Law in resulting litigation from these mining right adjudications.

As the bill will require DNR to adopt new regulations and assume additional obligations, including dealing with an anticipated significant increase in the number of administrative and judicial mining appeals, DNR anticipates the bill will require the following expenditures.

Personnel Cost- \$250.2 total annually

Mineral Properties Management, Staff

PERSONAL SERVICES COST - \$148.7 total annually

Mineral Property Right and Qualification reviews personnel

Two Natural Resource Specialists (NRS) I (range 14) at \$74.35/year for a total of \$148.7

Program Support, Staff

PERSONAL SERVICES COST - \$101.5 total annually

One Natural Resource Specialist (NRS) III (range 18) at \$101.5/year

TRAVEL - \$0.0 total

COMMODITIES - \$39.5 in FY 21, \$24.5 annually in FY 22 and beyond (\$19.5 +\$ 5.0)

Commodity costs include:

\$5.0 for each position for initial office set up in FY 21 (3 positions x \$5 =\$15 total).

\$6.5 annually for office space, telephones, core service charges and related expenses for the new position in FY21 and beyond. 3 positions x \$6.5 =\$19.5 total)

Supplies are budgeted at \$5.0 per year total.