

# Fiscal Note

State of Alaska  
2018 Legislative Session

Bill Version: SB 166  
Fiscal Note Number: \_\_\_\_\_  
( ) Publish Date: \_\_\_\_\_

Identifier: SB166-DNR-MLW-1-25-18  
Title: MINING: CLAIMS;RIGHTS;RENTAL  
RATES;LABOR

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

Sponsor: RLS BY REQUEST OF THE GOVERNOR  
Requester: Governor

## Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2019 Appropriation Requested	Included in Governor's FY2019 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2019	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
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

1250 UGF Rev (UGF)			(143.0)	(143.0)	(143.0)	(143.0)	(143.0)
1251 Non-UGF (Other)			557.0	557.0	557.0	557.0	557.0
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>414.0</b>	<b>414.0</b>	<b>414.0</b>	<b>414.0</b>	<b>414.0</b>

**Estimated SUPPLEMENTAL (FY2018) cost:** 0.0 (separate supplemental appropriation required)  
(discuss reasons and fund source(s) in analysis section)

**Estimated CAPITAL (FY2019) 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If yes, by what date are the regulations to be adopted, amended or repealed? 12/31/19

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

Corrected calculations with updated information

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Agency: Department of Natural Resources

Phone: (907)269-8625  
Date: 01/25/2018 03:30 PM  
Date: 01/25/18

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2018 LEGISLATIVE SESSION

BILL NO. SB 166

### Analysis

This bill would eliminate state requirements to conduct annual labor and yearly affidavits for annual labor on state mining claims, leasehold locations, and mining leases. The bill would also increase the annual mining rental rates for mining claims, leasehold locations and mining leases.

The Department of Natural Resources would need to adjust current regulations to incorporate these changes.

#### Changes to Department Operations

As proposed, the bill will not result in a fiscal impact to the operating expenditures of the Department of Natural Resources. Annual affidavits create a seasonal workload which are currently handled by staff with other responsibilities. During the influx of work related to annual affidavits capacity to do other work is temporarily reduced. Eliminating this requirement will not result in the ability to reduce staff, but will allow those staff to focus on other tasks.

#### Anticipated Revenue Changes

This bill will result in a net additional state revenue of an estimated \$414.0 per year.

The rental increase in section 5 of the bill includes an inflation adjustment that is already scheduled to occur under existing law, plus an increment intended to offset general fund revenue losses. The anticipated increased revenue from annual mining rental rates for mining claims, leasehold locations and mining leases is estimated to be \$998.0 annually as a result of this bill.

By statute this revenue will be distributed as:

49.5% DGF  
50% Permanent Fund  
0.5% Public School Trust Fund

#### Summary

	494.0	Total New Designated General Fund Revenues from Rental Increase
+	499.0	Total New Permanent Fund Revenues from Rental Increase
+	5.0	Total New Public School Trust Fund Revenues from Rental Increase
=	998.0	Total New Non-UGF Revenues from Rental Increase
-	441.0	Total Lost Non-UGF Revenues Associated with Annual Labor
=	557.0	Net Change in Non-UGF State Revenues if SB166 Passes as Written
-	143.0	Total Lost UGF Revenues Associated with Annual Labor
=	414.0	Net Change in Total State Revenues if SB166 Passes as Written