

Fiscal Note

State of Alaska
2018 Legislative Session

Bill Version:	HB 305
Fiscal Note Number:	1
(H) Publish Date:	1/24/2018

Identifier: DEC-SPAR-01-22-18
Title: OIL/HAZARDOUS
SUB.:CLEANUP/REIMBURSEMENT
Sponsor: RLS BY REQUEST OF THE GOVERNOR
Requester: Governor

Department: Department of Environmental Conservation
Appropriation: Spill Prevention and Response
Allocation: Spill Prevention and Response
OMB Component Number: 3094

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							
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

1052 Oil/Haz Fd (DGF)	(60.0)		(60.0)	(60.0)	(60.0)	(60.0)	(60.0)
Total	(60.0)	0.0	(60.0)	(60.0)	(60.0)	(60.0)	(60.0)

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If yes, by what date are the regulations to be adopted, amended or repealed? 01/01/20

Why this fiscal note differs from previous version/comments:

Not applicable initial version.

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Date: 01/22/2018 02:30 PM
Date: 01/22/18

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2018 LEGISLATIVE SESSION

Analysis

This bill would offer cost recovery relief to homeowners or owners of residential buildings with four or fewer housing units when they have a release of oil from equipment used for space heating or electrical power generation. Containing fuel spills immediately substantially reduces costs for the responsible party as well as the State. It is difficult to quantify that savings to the State, but protracted, long-term cleanup on older spills is expensive and difficult.

Tracking releases associated with homeowners and residential buildings is already occurring within the Department of Environmental Conservation. The additional workload of verifying that responsible parties would qualify for exemption under this bill would be relatively minimal and would be absorbed by existing administrative staff.

Cost recovery fluctuates from year to year due to a variety of technical and logistical factors. Total cost recovery revenue relating to homeowners and residential buildings is \$60.0 per year on average. The Division expects a loss in cost recovery revenue of approximately \$60.0 annually, which constitutes a 3% reduction in overall expected cost recovery revenue.

The bill allows the Department to adopt regulations to waive cost recovery efforts in situations defined by the proposed legislation. Regulations will be adopted by 2020. The Division of Spill Prevention and Response will absorb the cost of promulgating regulations.