

Fiscal Note

State of Alaska
2016 Legislative Session

Bill Version: SB 163
Fiscal Note Number: _____
() Publish Date: _____

Identifier: SB163-DNR-MLW-2-15-16
Title: NATL. RES. WATER
NOMINATION/DESIGNATION
Sponsor: RLS BY REQUEST OF THE GOVERNOR
Requester: Governor

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)

	FY2017 Appropriation Requested	Included in Governor's FY2017 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2017	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
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							
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Estimated SUPPLEMENTAL (FY2016) cost: 0.0 (separate supplemental appropriation required)
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2017) 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? No
If yes, by what date are the regulations to be adopted, amended or repealed? N/A

Why this fiscal note differs from previous version:

Revised with additional analysis.

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Agency: Department of Natural Resources
Phone: (907)269-8625
Date: 02/15/2016 12:00 AM
Date: 02/15/16

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2016 LEGISLATIVE SESSION

BILL NO. SB 163

Analysis

The fiscal impact to the state as a result of this legislation could be significant should an outstanding national resource water be nominated and subsequently designated by the Legislature and later signed into law.

Section 1 of the bill proposes to amend Chapter 3 of Title 46 (AS 46.03) adding a new section to implement the Federal Clean Water Act provision (40 C.F.R. Part 131.12(a)(3)) related to nomination and designation of outstanding national resource water.

Section 2 of the bill proposes to create a definition for "outstanding national resource water."

Under the bill, the land or water use application adjudication processes could become more complicated. To the extent legally required, DNR may need to conduct additional research to evaluate, and explain authorization decisions in the additional context of potential impact on water bodies designated as or even possibly nominated as outstanding national resource water. These authorizations might include water rights, temporary water uses, mining or oil and gas development permits, land use permits, leases or sales, access easements, and material sales. The scope and nature of this consideration, if any, would have to be done in keeping with existing law and policies developed to address enacted legislation.

If a designation creates legal requirements to minimize water quality impacts, this could impact the ability of lessees to develop resources on state land, and could create costs to DNR in the form of:

- loss of revenue from applications fees, rents, and royalties from authorizations that nominations or designations under the bill would limit or restrict;
- loss of revenue from lost opportunities from applications fees, rents, and royalties opportunities because they are not pursued due to increased uncertainty of the regulatory process;
- the cost of additional staff and supporting resources to make evaluations under the act; and
- litigation costs and loss of productivity due to staff time spent on litigation.

Explanation of the basis of the costs:

The bill does not limit a nomination or designation to high quality surface waters, and as written, any water body could be nominated or designated. According to the Department of Environmental Conservation, as much as 90 percent of water in Alaska may meet the current proposed definition. There are already three putative nominations which would impact future water use and/or major natural resource projects, if designated. Any waterbody that is designated may require additional research by the Department of Natural Resources (DNR) staff during adjudication of applications to determine whether the applied for resource authorization(s) would conflict with the purpose of the designation.