

# Fiscal Note

State of Alaska  
2016 Legislative Session

Bill Version: HB 274  
Fiscal Note Number: \_\_\_\_\_  
( ) Publish Date: \_\_\_\_\_

Identifier: HB 274-DNR-MLW-2-5-16  
Title: STATE LAND; EXCHANGES; LEASE  
EXTENSIONS  
Sponsor: MUNOZ  
Requester: House Resources Committee

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	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2017 Request	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
<b>OPERATING EXPENDITURES</b>	<b>FY 2017</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</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>						

**Positions**

Full-time							
Part-time							
Temporary							

<b>Change in Revenues</b>							
---------------------------	--	--	--	--	--	--	--

**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? **Yes**  
If yes, by what date are the regulations to be adopted, amended or repealed? **12/31/17**

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

Initial version.

Prepared By: <u>Brent Goodrum, Director</u>	Phone: <u>(907)269-8625</u>
Division: <u>Mining, Land and Water</u>	Date: <u>02/05/2016 12:00 AM</u>
Approved By: <u>Mark Myers, Commissioner</u>	Date: <u>02/05/16</u>
Agency: <u>Department of Natural Resources</u>	

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2016 LEGISLATIVE SESSION

BILL NO. HB 274/A

### Analysis

DNR does not anticipate any fiscal impact from this legislation.

Section 1: Conforming language due to changes in AS 38.50.

Section 2: Adds two new subsections to AS 38.05.070. The first subsection permits DNR to extend certain existing land leases if the lessee is in good standing, and only once for a period of two years, while DNR considers applications for three specific purposes. The second subsection provides that the extensions are not subject to AS 38.05.035(e) but requires public notice of the lease extension.

Section 3: Applies existing AS 38.05.945 public notice standards to state land exchanges.

Section 4: Modifies the terms shorelands and tidelands to those currently used.

Section 5: Amends AS 38.50.010 to add two new requirements for determining best interest and noticing in AS 38.05.945 as well as modifying language about which estates can be exchanged.

Section 6: Adds three new sections to AS 38.50.010 that establish procedures for the exchange of state land or an interest in state land, including following the AS 38.05.035(e) process, and keeps the requirement for legislative review of exchanges valued at \$5M or more.

Section 7: Removes a requirement that the director, when negotiating a land exchange involving more than one party, "consider only the land and other consideration which the state would convey and receive if the exchange were executed."

Section 8: Removes an existing limitation, revising the statute in a way that permits the director to exchange or receive land or the mineral rights in the land separately, if the conveyance is authorized by the State Constitution and applicable federal law.

Section 9: Amends AS 38.50.070 to provide that, unless waived, the appropriate state agency will continue to administer valid existing rights in land, or interests in land, conveyed under AS 38.50 and that revenue derived from existing rights in the land, or an interest in land, will continue to accrue to the state until the land is conveyed under AS 38.50.150.

Section 10: Changes the requirement that the director hold three public hearings concerning the exchange of land valued at more than \$5M to a requirement that the director hold at least one public meeting.

Section 11: Conforming language in AS 38.50.140 to changes made in sections 6 and 13.

Section 12: Conforms the terms of shoreland and tideland to AS 38.05.965.

Section 13: Repeals AS 38.50.020, AS 38.040, AS 38.080(b), AS 38.090, AS 38.100, AS 38.110, AS 38.120(b), and AS 38.130

Regulations: DNR anticipates that passage of this legislation will require revisions to existing regulations at 11 AAC 67.200 - 67.280, to implement the Exchange of State Land provisions of Sections 2- 13, and repeal portions of those regulations made inconsistent with the revised statute. DNR will also be required to adopt new regulations in 11 AAC 58 to implement the lease extension provisions of Section 1. Costs of these efforts will be more than offset by savings in personal services cost resulting from the revisions made in this bill.