

Fiscal Note

State of Alaska
2015 Legislative Session

Bill Version: HB 119
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB119-DEC-WQ-03-27-15
Title: LEG. APPROVAL OF BRISTOL BAY SULFIDE
MINE
Sponsor: JOSEPHSON
Requester: House Fisheries Committee

Department: Department of Environmental Conservation
Appropriation: Water
Allocation: Water Quality
OMB Component Number: 2062

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below.

(Thousands of Dollars)

	FY2016 Appropriation Requested	Included in Governor's FY2016 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2016	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Personal Services							
Travel							
Services					200.0	45.0	45.0
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	0.0	0.0	0.0	0.0	200.0	45.0	45.0

Fund Source (Operating Only)

1004 Gen Fund					200.0	45.0	45.0
Total	0.0	0.0	0.0	0.0	200.0	45.0	45.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues							
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Estimated SUPPLEMENTAL (FY2015) cost: 0.0 (separate supplemental appropriation required)
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2016) 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If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

Not applicable, initial version.

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Date: 03/27/2015

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2015 LEGISLATIVE SESSION

BILL NO. HB119

Analysis

The bill requires that the Department of Environmental Conservation Commissioner make an independent determination that an applicant for metallic sulfide mining operation located within the watershed of the Bristol Bay Fisheries Reserve has proven beyond a reasonable doubt that the operation will not constitute a danger to the fisheries.

In order to assist the Commissioner in making the independent determination, the Department requires contractual support in the form of technical assistance and legal counsel in reviewing the numerous permits from multiple state and federal agencies. Each time a permit is issued or significantly modified, a new independent determination will need to be made. For a large mine project that would disturb 640 or more acres of land, as described in existing statute at AS 38.05.142 (c), it is expected that routine, ongoing permit modification and reissuance would result in an annual review.

Costs are based upon issuance costs for Alaska Pollutant Discharge Elimination System (APDES) and Waste Management Plans for large mines. The analysis and determinations used in the issuance of these permits is similar to the analysis and determinations that will be required for the independent determination.

Contractual costs include technical assistance (\$125,000 in the first year) and legal counsel (\$75,000 in the first year). Project start-up date is not known. The Department is assuming that costs would begin in FY19, though this is uncertain.

For years beyond the first independent determination, costs are expected to be reduced given that many of the permits and authorizations will already have been reviewed. Costs for FY20 and beyond are expected to be \$25,000 for technical assistance and \$20,000 for legal counsel.