

Fiscal Note

State of Alaska
2019 Legislative Session

Bill Version: SB 42
Fiscal Note Number: _____
() Publish Date: _____

Identifier: SB042-DNR-MLW-03-22-19
Title: QUITCLAIM LAND TO UNITED STATES
Sponsor: COGHILL
Requester: Senate Resources

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)

	FY2020	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2020 Request	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
OPERATING EXPENDITURES	FY 2020	FY 2020					
Personal Services	***		***	***	***	***	***
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	***	0.0	***	***	***	***	***

Fund Source (Operating Only)

None							
Total	***	0.0	***	***	***	***	***

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2019) cost: 0.0 *(separate supplemental appropriation required)*

Estimated CAPITAL (FY2020) cost: 0.0 *(separate capital appropriation required)*

Does the bill create or modify a new fund or account? No
(Supplemental/Capital/New Fund - 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If yes, by what date are the regulations to be adopted, amended or repealed?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/comments:

Not applicable, initial version based on the 2.13.19 Governor's FY2020 request.

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Division: <u>Mining, Land & Water</u>	Date: <u>03/22/2019 11:00 AM</u>
Approved By: <u>Fabienne Peter-Contesse, Administrative Services Director</u>	Date: <u>03/22/19</u>
Agency: <u>Office of Management and Budget</u>	

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2019 LEGISLATIVE SESSION

BILL NO. SB 42

Analysis

This bill revises state law to require the Director of the Division of Lands (director) of the Department of Natural Resources (DNR) to quitclaim all interest in land to the federal government after a determination by the director that the land or the interest in land was wrongfully or erroneously conveyed by the federal government to the state.

Under existing state law, DNR is actively and aggressively adjudicating reconveyance requests and re-conveying lands as fast as the U.S. Department of the Interior-Bureau of Land Management (DOI-BLM) can process them.

The department makes the following bill assumptions:

1. The focus of this legislation is lands currently in State of Alaska ownership for which there is a federal Native allotment pending with the DOI-BLM.
2. Current law provides the director discretion to reconvey or not reconvey these lands based on whether it would be in the state's interest to do so. This bill mandates conveyance of all lands regardless of the adverse effect to the state.
3. There are 173 Native allotment parcels, for a total of approximately 13,090 acres of state-owned land, that would be subject to this legislation.
4. When re-conveying all interest in the land, acreage re-conveyed to DOI-BLM will be credited to the state's outstanding land entitlement acreage totals, allowing the state to receive other, offsetting lands to satisfy the state's land entitlement. This portion of the proposed legislation will have no fiscal impact to the state or DNR.
5. Based upon the current rate at which DOI-BLM evaluates and accepts re-conveyed lands, the effort to re-convey these lands could take several decades.

Fiscal Impacts

Native allotment lands previously rendered final administrative decisions by DNR may also be subject to this proposed mandatory conveyance requirement. Lands subject to these previously denied reconveyances have been conveyed to third parties such as the University, Mental Health Trust, or municipalities. It is unclear whether DNR will have to re-acquire these lands back from these entities or how that is to be completed to meet the requirements of this proposed legislation. Because DNR cannot determine how much purchase or condemnation of these lands may cost, this portion of the fiscal note is indeterminate.

Third-party interests and state-owned infrastructure of significant value are located on the state-owned land subject to this proposed legislation. These include the trans-Alaska oil pipeline, state highways and roads, powerlines, gas line rights-of-way, and airports. Under this proposed legislation, DNR will be required to re-convey lands under these parcels as well. In these cases, DNR and the state have five options to address these third-party interests and state-owned infrastructure: 1) negotiate a repurchase of the land, 2) negotiate a land-use authorization on the land, 3) negotiate a land exchange of the land, 4) move the location of the infrastructure or third-party interest to other state owned land, or 5) condemn the allotment to retain ownership. Because the number and value of the authorizations, as well as the cost of the negotiations, relocations or condemnations purchases or leases are unknown, this portion of the fiscal note is indeterminate.