

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: 2
 Bill Version: CSHB 208(FSH)
 (H) Publish Date: 3/6/02

Revision Date/Time (Note if correction): _____
 Title: Aquatic Farms for Shellfish

Dept. Affected: Natural Resources
 BRU: Minerals, Land & Water Dev
 Component: Claims, Permits and Leases

Sponsor: Rep. SCALZI, Chenault, Lancaster, Harris, Hudson, James
 Requester: (H) FSH

Component Number: 2460

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services	116.6	155.6				
Travel	5.0	10.0				
Contractual	2.5	325.0				
Supplies	1.0	1.0				
Equipment	7.0	0.0				
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	132.1	491.6	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()	0.0	58.5+	58.5+	58.5+	58.5+	58.5+
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	132.1	491.6				
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	132.1	491.6	0.0	0.0	0.0	0.0

Estimate of any current year (FY2002) cost: none

Check this box (X) if funding for this bill is included in the Governor's FY2003 budget proposal:

POSITIONS

Full-time	3	3				
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Figures shown here are only preliminary estimates.

This bill creates a one-time disposal program of at least 90 aquatic farmsites; changes the criteria of determining fair market value of a site where culture of indigenous shellfish is proposed; and requires DNR to condition leases for sites that culture wild stocks of indigenous shellfish to restore the wild stock upon termination or expiration of the lease to the population level that existed prior to issuance of the lease. It expands DNR's current aquatic farm program, which operates on program receipts with one employee and brings in approximately \$48.0 a year.

Operating expenditures for HB 208 could increase for FY 2004 if leases are issued for longer than 10 years, which would necessitate cadastral surveys of each site (AS 38.04.045). **[CONT.]**

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 Division: Mining, Land and Water
 Approved by: Pat Pourchot
 Agency: Natural Resources

Phone 269-8600
 Date/Time 1-Mar-02
 Date 1-Mar-02

ANALYSIS: (continued) CSHB 208(FSH) - #2

This analysis assumes that under Sec. 3 of the bill, it would take a full year to prepare for the one-time disposal of 90 farmsites at auction. A new unit consisting of one Natural Resource Manager I, one Natural Resource Officer II, and one Natural Resource Technician would be required. (Additional appraisal services would also be required, but would be done under contract.) Because it would take approximately three months to establish and fill the positions, only nine months of personal services costs are shown for FY 2003. Once hired, the unit will need approx. 12 months to develop timelines and procedures; give public notice to solicit nominations; write preliminary disposal decisions; evaluate nominated sites and conduct the coastal consistency review and agency/public comment period (including limited hearings); review comments/resolve conflicts; write final decisions listing approved sites; inspect sites with ADF&G and DEC to determine suitability and whether indigenous shellfish are present; contract for appraisals (\$50.0) that consider the value of existing harvestable shellfish and site productivity; give public notice of the auctions; conduct auctions; and issue final leases. The auctions would likely not be held until the fall of 2003.

Total estimated costs for DNR's portion of one-time mariculture disposal: \$351.2

As part of the disposal, the bill requires the amount of sustainable harvestable shellfish to be determined so that a value could be placed on the resource. This information is outside DNR's expertise and would likely be obtained by a Reimbursable Services Agreement with ADF&G. Costs for this item were estimated by ADF&G and are shown as a contractual item for FY04.

Total estimated costs for DNR's RSA to ADF&G to evaluate site suitability, estimate populations of wild stock consistent with sustainable yield management and the potential productivity of the site: \$272.5

Changes in revenue: +\$58.5

If all 90 sites were leased, the possible revenue of \$58.5 annually would begin in FY04. This estimate is based on an average 3-acre suspended culture site x 60 sites = \$33,000 and an average of 5-acre on-bottom culture site x 30 sites = \$25,500 (plus the additional value placed on the amount of harvestable shellfish and the potential productivity of the site; these are unknowns at this time). However, it is not known whether the market could absorb such a large number of sites at once.

Personal Services New Position Detail

DRAFT

Department of Natural Resources

Scenario: DNR FY2003 Fiscal Notes - for Positions (2481)
Component: Claims, Permits & Leases (2460)
BRU Name: Minerals, Land, and Water Development (330)

PCN	Job Class Title	Time Status	Retire Code	Barg Unit	Location	Salary Sched	Range & Steps	Budgeted Months	Split / Count	Annual Salary	COLA	Premium Pay	Annual Benefits	Total Costs
10-#075	Natural Resource Off I	FT	A	GG	Anchorage	2A	14 C	9.0		26,538	426	0	11,193	38,157
Justification:							Funding Detail:							
HB208							1004 General Fund Receipts							
												100.00%	38,157	
												Total Funding:	100.00%	38,157
10-#076	Natural Resource Off II	FT	A	GG	Anchorage	2A	16 D	9.0		31,656	509	0	12,242	44,407
Justification:							Funding Detail:							
HB208							1004 General Fund Receipts							
												100.00%	44,407	
												Total Funding:	100.00%	44,407
10-#077	Natural Resource Tech II	FT	A	GG	Anchorage	2A	12 C	9.0		23,247	373	0	10,519	34,139
Justification:							Funding Detail:							
HB208							1004 General Fund Receipts							
												100.00%	34,139	
												Total Funding:	100.00%	34,139

Component Summary:

Total New Positions: 3

Fund Description	Fund Percent	Fund Amount
1004 General Fund Receipts	100.00%	116,703
Total Funding:	100.00%	116,703

Note: If a position is split, an asterisk (*) will appear in the Split/Count column. If the split position is also counted in the component, two asterisks (**) will appear in this column.