

# FISCAL NOTE

**STATE OF ALASKA**  
**2002 LEGISLATIVE SESSION**

Fiscal Note Number: 2  
 Bill Version: SB 271  
 (S) Publish Date: 5/1/02

Revision Date/Time (Note if correction): \_\_\_\_\_  
 Title: MARINE AND RAIL TRANSPORTATION  
AUTHORITY  
 Sponsor: Sens. WARD, Austerman, Cowderly, Taylor  
 Requester: (S) TRA

Dept. Affected: Natural Resources  
 BRU: Minerals, Land & Water Dev  
 Component: Land Sales/Muni Ent.  
 Component Number: 2465

**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	115.5	254.1	278.1	278.1	278.1	278.1
Travel	10.0	15.0	15.0	15.0	15.0	15.0
Contractual	50.0	1,500.0	1,500.0	1,500.0	1,500.0	1,500.0
Supplies	10.0	5.0	5.0	5.0	5.0	5.0
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>185.5</b>	<b>1,774.1</b>	<b>1,798.1</b>	<b>1,798.1</b>	<b>1,798.1</b>	<b>1,798.1</b>

<b>CAPITAL EXPENDITURES</b>						
-----------------------------	--	--	--	--	--	--

<b>CHANGE IN REVENUES ( )</b>	*	*	*	*	*	*
-------------------------------	---	---	---	---	---	---

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	185.5	1,774.1	1,798.1	1,398.1	1,198.1	998.1
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other I/A M&RT Fund (estimated)				400.0	600.0	800.0
<b>TOTAL</b>	<b>185.5</b>	<b>1,774.1</b>	<b>1,798.1</b>	<b>1,798.1</b>	<b>1,798.1</b>	<b>1,798.1</b>

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	4	5	5	5	5	5
Part-time			1	1	1	1
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

This fiscal note is the minimum necessary for DNR to process land selections and conveyances to the Marine and Rail Transportation Fund. Costs could be higher depending on what lands are selected and the level of controversy relating to individual parcels. Most costs for the conveyance work will be paid for by the Transportation Fund using Interagency Receipts; however, this money still must come from state general funds for the first several years as the Transportation Fund will have no revenue.

The fiscal note assumes the Constitutional amendment that is needed to enable the fund is **(cont.)**

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

Phone 269-8600  
 Date/Time 26-Feb-02  
 Date 26-Feb-02

ANALYSIS: SB 271 #2 (continued)

approved by the voters in November 2002, and that the Transportation Fund and DNR begin the process to identify and transfer lands in January 2003 (FY 03). For FY 03, DNR staff will include 6 mos. of a Natural Resource Manager I, 6 mos. for two Natural Resource Officer (NRO) II, and 6 mos. NRO I who will help identify parcels for Transportation Fund selection, check land status and land records, prepare public notice, respond to public inquiries, negotiate with the Transportation Fund, and perform other tasks to prepare land lists. Starting in FY 04, the four positions are funded FT and costs also include 6 mos. for a Land Surveyor I to prepare survey instructions and contracts for survey. Large contractual expenditures starting in FY 04 reflect the cost to survey parcels. Survey costs assume average parcel size of 1000 acres and that only half of the parcels require survey. FY 05 and following years include the above costs, plus costs to issue title documents (6 mos. of an NRO I, plus recording fees).

For FY 03-05, the fiscal note assumes that all costs will be paid from the general fund as the Marine and Rail Transportation Fund will not generate revenues until at least some revenue-generating lands are transferred. Starting in FY 06, the analysis assumes part of the costs to implement this legislation will be paid by the Transportation Fund.

Not included in the DNR fiscal note are the costs to create an entirely new land management agency for the Marine and Rail Transportation Fund. Under SB 271, this land management agency would be housed within DOTPF. Minimum cost of such a land office will be \$500,000-\$1 million/year, with most of the initial funding coming from the general fund.

\* Note: It is impossible to project how much revenue these conveyances will generate for the Marine and Rail Transportation Fund, and will be lost to the state general fund, without knowing exactly what lands will be transferred. However, it can be assumed the Marine and Rail Fund will select the most valuable parcels it can find. The effect is to divert a significant revenue stream out of the general fund, where it would have been available for those public purposes the Legislature deemed most important in a given year, into the hands of the Marine and Rail Transportation Fund for strictly railroad and ferry purposes. Also, by removing the most valuable parcels from the state's asset base, the bill reduces one of the most important incentives for local government to incorporate: the opportunity to select top-quality commercial, residential, and industrial land for municipal ownership under AS 29.65.

**Personal Services New Position Detail**

**DRAFT**

**Department of Natural Resources**

**Scenario:** DNR FY2003 Fiscal Notes - for Positions (2481)  
**Component:** Land Sales & Municipal Entitlements (2456)  
**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-#078	Natural Resource Mgr I	FT	A	GG	Anchorage	2A	18 C	6.0		23,280	140	0	8,607	32,027
<b>Justification:</b>							<b>Funding Detail:</b>							
SB271							1004	General Fund Receipts					100.00%	32,027
												<b>Total Funding:</b>	100.00%	32,027
10-#079	Natural Resource Off II	FT	A	GG	Anchorage	2A	16 D	6.0		20,964	126	0	8,133	29,223
<b>Justification:</b>							<b>Funding Detail:</b>							
SB271							1004	General Fund Receipts					100.00%	29,223
												<b>Total Funding:</b>	100.00%	29,223
10-#080	Natural Resource Off I	FT	A	GG	Anchorage	2A	14 C	6.0		17,574	106	0	7,438	25,118
<b>Justification:</b>							<b>Funding Detail:</b>							
SB271							1004	General Fund Receipts					100.00%	25,118
												<b>Total Funding:</b>	100.00%	25,118
10-#081	Natural Resource Off II	FT	A	GG	Anchorage	2A	16 D	6.0		20,964	126	0	8,133	29,223
<b>Justification:</b>							<b>Funding Detail:</b>							
SB271							1004	General Fund Receipts					100.00%	29,223
												<b>Total Funding:</b>	100.00%	29,223

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.

## Personal Services New Position Detail

DRAFT

### Department of Natural Resources

**Scenario:** DNR FY2003 Fiscal Notes - for Positions (2481)  
**Component:** Land Sales & Municipal Entitlements (2456)  
**BRU Name:** Minerals, Land, and Water Development (330)

#### Component Summary:

Total New Positions: 4

<u>Fund Description</u>	<u>Fund Percent</u>	<u>Fund Amount</u>
1004 General Fund Receipts	100.00%	115,591
<b>Total Funding:</b>	100.00%	115,591

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.