

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: CSHB 156(W&M)
 (H) Publish Date: 2/4/08

Identifier (file name): HB156CSW&M-DNR-CPL-01-31-08 Dept. Affected: Natural Resources
 Title: MINING PROD. & LICENSE TAXES/ROYALTIES RDU: Resource Development
 Component: Claims, Permits and Leases
 Sponsor: Rep. Seaton
 Requester: House RES Component Number: 2460

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
		FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
OPERATING EXPENDITURES							
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES							
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CHANGE IN REVENUES ()	*** INDETERMINATE ***
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2008) cost: 0.0

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: (Attach a separate page if necessary)
 State mining claim rental revenue is expected to stay the same or increase; state mining claims presently total 3.3 million acres. It is estimated that a significant number of mining claims will be dropped due to the proposed increase in rental fees. If no claims are dropped, the additional revenue would be a maximum of \$7.5 million annually. If half of the claims are dropped, revenue could increase by \$3.7 million. Current 2006 revenue from mining claims on state land is \$ 3.4 million.
 Coal mining rent and royalty revenue is not materially affected by the proposed changes.
 Mining royalties from mines on State land would increase but the amount of the increase is difficult to estimate as there are numerous variables that impact royalties, including mineral prices and amount of production. It is possible that the royalties could increase by \$3.5 million in 2008 if all mining operations continue at current levels and the proposed tax changes do not result in a reduction in mining operations.

Prepared by: Dick Mylius, Director
 Division: Mining, Land and Water
 Approved by: Tom Irwin, Commissioner
Natural Resources

Phone 269-8600
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