

# FISCAL NOTE

**STATE OF ALASKA**  
**2011 LEGISLATIVE SESSION**

Fiscal Note Number 1  
 Bill Version CSHB 89(RES)  
 (H) Publish Date 3/23/11

Identifier (file name) HB089-DNR-MLD-03-14-11  
 Title EXTRACTION OF BEDLOAD MATERIAL  
 Sponsor Rep. Seaton  
 Requester House RES  
 Dept. Affected Natural Resources  
 Appropriation Resource Development  
 Allocation Mining and Land Development  
 OMB Component Number 2460

**Expenditures/Revenues** (Thousands of Dollars)

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

	Appropriation Required	Information						
		FY 2012	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
<b>OPERATING EXPENDITURES</b>								
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Travel	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Commodities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital Outlay	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Grants	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
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<b>CHANGE IN REVENUES</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts	0	0	0	0	0	0	0	0
1003 GF Match	0	0	0	0	0	0	0	0
1004 GF	0	0	0	0	0	0	0	0
1005 GF/Program Receipts	0	0	0	0	0	0	0	0
1037 GF/Mental Health	0	0	0	0	0	0	0	0
Other (please identify)	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Estimate of any current year (FY2011) cost \_\_\_\_\_

**POSITIONS**

Full-time	0	0	0	0	0	0	0	0
Part-time	0	0	0	0	0	0	0	0
Temporary	0	0	0	0	0	0	0	0

Why this fiscal note differs from previous version (if initial version, please note as such)

Not applicable, initial version

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 Approved by Daniel S. Sullivan  
Department of Natural Resources

Phone 269-8501  
 Date/Time 3/11/11 1:00 PM  
 Date 3/14/2011

**Analysis**

HB 89 allows the Commissioner of the Department of Natural Resources (DNR) to offer for disposal bedload material within a river, lake, stream or coastal water (gravel, rock, and other material) at below fair market value if disposal of that material enhances the effectiveness of a flood control project.

The Department already routinely sells bedload material at fair market value through its authority under AS 38.05.120. This bill would change the current fixed-fee structure (\$/cubic yard) to a percent of profit royalty structure (not less than 12.5%) for the disposal of bedload material that enhances the effectiveness of a flood control project.

DNR anticipates that these changes would not significantly reduce revenue generated from the disposal of bedload material and that the workload associated with adoption of regulations and preparing and noticing the required best interest finding could be absorbed by existing staff and resources.