

FISCAL NOTE

STATE OF ALASKA
2012 LEGISLATIVE SESSION

Bill Version CSHB 89(RES)
 Fiscal Note Number 4
 (S) Publish Date 4/15/12

Identifier (file name) CSHB089(RES)-DNR-MLW-12-15-11 Dept. Affected Natural Resources
 Title EXTRACTION OF BEDLOAD MATERIAL Appropriation Land & Water Resources
 Allocation Mining, Land & Water
 Sponsor Rep. Seaton
 Requester (S) FIN OMB Component Number 3002

Expenditures/Revenues (Thousands of Dollars)

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

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates				
			FY14	FY15	FY16	FY17	FY18
OPERATING EXPENDITURES	FY13	FY13	FY14	FY15	FY16	FY17	FY18
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants, Benefits							
Miscellaneous							
TOTAL OPERATING	***	***	***	***	***	***	***

FUND SOURCE (Thousands of Dollars)

1002	Federal Receipts						
1003	GF Match						
1004	GF						
1005	GF/Prgm (DGF)						
1037	GF/MH (UGF)						
1178	temp code (UGF)						
TOTAL		***	***	***	***	***	***

POSITIONS

Full-time							
Part-time							
Temporary							

CHANGE IN REVENUES

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Estimated SUPPLEMENTAL (FY12) operating costs 0.0 (separate supplemental appropriation required)
 (discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY13) costs 0.0 (separate capital appropriation required)
 (discuss reasons and fund source(s) in analysis section)

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

Fiscal note updated (1) to reflect changes made from the bill as introduced to the committee substitute (27-LS0334B) adopted in House Resources and the conceptual amendment #1 made to that CS and (2) to reflect that certain erosion control projects that also contribute to flood mitigation could be included in the disposal of bedload material as it pertains to this bill. This is a new fiscal note form version for the second session of the 27th legislature. The appropriation and allocation have been changed to reflect the revised DNR structure.

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Phone (907) 269-8501
 Date/Time 12/13/11 1:00 PM
 Date 12/13/2011

FISCAL NOTE #4

**STATE OF ALASKA
2012 LEGISLATIVE SESSION**

BILL NO. CSHB 89(RES)

Analysis

This bill 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.

Reduction in revenue generated from the disposal of bedload material would be dependent upon the number of extraction sites approved under a site-specific flood mitigation plan and the volume of bedload material extracted from those sites. Additionally, the reduction in revenue from individual sales may be offset by the potential increase in the number of sales that would not have otherwise occurred without this legislation. In either case, because the number of sites and volume of bedload material that might be extracted is at this time is unknown, the revenue impact is indeterminate.

Additionally, DNR will incur new costs for the review of each site-specific flood mitigation plan and review of net profit reporting after extraction. While DNR does not anticipate the proposed legislation will result in a significant increase in cost for any one project, the number of plans and sale applications that will be received is also indeterminate. The cumulative costs of receiving many applications may result in future supplemental budget requests.