

FISCAL NOTE

STATE OF ALASKA
2012 LEGISLATIVE SESSION

Bill Version SCS CSHB 361(FIN)
Fiscal Note Number 5
(S) Publish Date 4/15/12

Identifier (file name) SCS CSHB361(FIN)-DNR-MLW-04-15-12 Dept. Affected Department of Natural Resources
Title Disposal of State Resources Appropriation Land & Water Resources
Allocation Mining Land & Water
Sponsor Rules by Request of the Governor
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					
			FY13	FY14	FY15	FY16	FY17	FY18
OPERATING EXPENDITURES								
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants, Benefits								
Miscellaneous								
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

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		0.0	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS

Full-time							
Part-time							
Temporary							

CHANGE IN REVENUES	0.0	0.0	0.0	0.0	0.0	0.0	0.0
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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)

In the bill analysis section, this fiscal note reflects the changes made in the Senate Finance committee. The uncodified laws were amended to allow for conveyance of land to the City and Borough of Juneau for purposes of meeting permit mitigation requirements.

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Approved by Daniel S. Sullivan, Commissioner
Department of Natural Resources

Phone 269-8600
Date/Time 4/15/12 8:30 AM
Date 4/15/2012

FISCAL NOTE #5

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BILL NO. SCS CSHB 361(FIN)

Analysis

SCS CSHB361(FIN) proposes to make changes to the Alaska Land Act that are intended to increase efficiency, certainty and timeliness of DNR's land permitting, leasing, mining and land sales programs to permitting applicants.

These proposed changes are not anticipated to have a fiscal impact on the department or the State with the exception of the proposed revision to AS 35.05.555(f) in Section 18, the state would provide incentives for the development of peat as a source of heat or power. Currently, peat is not being sold by the state and thus the sale of peat is bringing in no revenue. However, with this additional subsection, assuming that the sale of peat is negotiated, the state would lose the potential for revenue up to the thresholds stated in the bill. For personal use, up to 200 cubic yards/yr would be provided for free; for commercial use not more than 30,000 cubic yards during a single 10-year period would be provided for free; and if more than 30,000 cubic yards is sold for commercial use, the user would pay 20% of the representative regional sales price or 20% of the fair market value as determined by an appraisal for which the applicant pays for up to 10 years. Assuming peat is successfully used as an energy source, the state ***stands to gain revenues in the future but currently would not gain or lose revenues in incentivizing the use of peat.***

It is expected that survey costs associated with Section 26 conveying state land to the City and Borough of Juneau will be borne by the City and Borough of Juneau.

The other sections of the bill will either create efficiencies or prevent inefficiencies, which will allow the Division of Mining, Land, and Water re-allocate staff time to other permits and authorizations thus helping to reduce the backlog. The revisions will benefit both the applicant and the State. The applicant will also be saved both time and cost by the changes.