

# Fiscal Note

State of Alaska  
2014 Legislative Session

Bill Version: SCS CSHB 140(JUD)  
Fiscal Note Number: 4  
(S) Publish Date: 4/17/14

Identifier: HB140SCSCS(JUD)-DNR-CO-4-16-14  
Title: REGULATIONS: NOTICE, REVIEW, COMMENT  
Sponsor: REINBOLD  
Requester: Senate Judiciary

Department: Department of Natural Resources  
Appropriation: Administration & Support Services  
Allocation: Commissioner's Office  
OMB Component Number: 423

## Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2015 Appropriation Requested	Included in Governor's FY2015 Request	Out-Year Cost Estimates					
			FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
<b>OPERATING EXPENDITURES</b>								
Personal Services								
Travel								
Services	112.0		70.0	70.0	70.0	70.0	70.0	70.0
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
<b>Total Operating</b>	<b>112.0</b>	<b>0.0</b>	<b>70.0</b>	<b>70.0</b>	<b>70.0</b>	<b>70.0</b>	<b>70.0</b>	<b>70.0</b>

## Fund Source (Operating Only)

1004 Gen Fund	112.0		70.0	70.0	70.0	70.0	70.0	70.0
<b>Total</b>	<b>112.0</b>	<b>0.0</b>	<b>70.0</b>	<b>70.0</b>	<b>70.0</b>	<b>70.0</b>	<b>70.0</b>	<b>70.0</b>

## Positions

Full-time								
Part-time								
Temporary								

<b>Change in Revenues</b>								
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**Estimated SUPPLEMENTAL (FY2014) cost:** 0.0 *(separate supplemental appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**Estimated CAPITAL (FY2015) cost:** 0.0 *(separate capital appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

## ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No  
If yes, by what date are the regulations to be adopted, amended or repealed? N/A

## Why this fiscal note differs from previous version:

Initial Version
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Division: <u>Commissioner's Office</u>	Date: <u>04/16/2014 12:00 PM</u>
Approved By: <u>Joe Balash, Commissioner</u>	Date: <u>04/16/14</u>
Agency: <u>Department of Natural Resources</u>	

FISCAL NOTE ANALYSIS #4

STATE OF ALASKA  
2014 LEGISLATIVE SESSION

BILL NO. SCS CSHB 140(JUD)

**Analysis**

This bill amends AS 44.62.190. Notice of Proposed Action.

The bill proposes changes to the Administrative Procedures Act pertaining to the adoption, amendment, or repeal of a state regulation. As part of the information included with certain notices of proposed regulations, state agencies would need to include, if applicable, an identification of the law, order, decision, or other action of the federal government or a federal court that requires the proposed action. This language is not expected to cause a fiscal impact to the Department of Natural Resources (DNR).

Sec. 3 of the bill would require that DNR provide the estimated annual cost, based on a good faith effort to estimate the costs in the aggregate for each of the following categories using the information available to the state agency, to: a) private persons to comply with the proposed action; b) other state agencies to comply with the proposed action; and c) municipalities to comply with the proposed action.

Allowing the cost estimate to be provided in the aggregate may lessen the burden on DNR. However, for DNR to provide a good faith estimate, it would still need to consider the estimated annual impact for private persons, other state agencies, and municipalities to comply with the proposed regulations. The cost estimate would be based on information available to the agency, but the bill does not indicate what state agency efforts would meet a standard of "good faith . . . using the information available to the state agency."

DNR anticipates that in most cases the department will be required to hire economists or other financial professionals, or enter into professional services contracts, to gather and analyze this type of information. DNR can estimate costs to itself and other state agencies, but does not have the expertise on staff to provide a good faith estimate for annual cost to private persons or municipalities. Assuming \$7,000 per professional services contract per regulatory action and 16 regulatory actions for the department in FY 2015, and on average, 10 regulatory action per year thereafter, DNR will need \$112,000 in FY 2015, and \$70,000 per year thereafter to facilitate this requirement.