

Fiscal Note

State of Alaska
2016 Legislative Session

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| Bill Version: | CSSB 170(RES) |
| Fiscal Note Number: | 1 |
| (S) Publish Date: | 3/2/2016 |

Identifier: SB170-DNR-GGS-2-26-16
 Title: DNR FEES FOR GEOLOGICAL SERVICES
 Sponsor: GIESSEL
 Requester: Senate Resources

Department: Department of Natural Resources
 Appropriation: Fire Suppression, Land & Water Resources
 Allocation: Geological & Geophysical Surveys
 OMB Component Number: 1031

Expenditures/Revenues

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

| | FY2017 | Included in | Out-Year Cost Estimates | | | | |
|-------------------------------|-------------------------|---------------------------|-------------------------|---------|---------|---------|---------|
| | Appropriation Requested | Governor's FY2017 Request | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 |
| OPERATING EXPENDITURES | FY 2017 | FY 2017 | | | | | |
| Personal Services | | | *** | *** | *** | *** | *** |
| Travel | | | | | | | |
| Services | | | | | | | |
| Commodities | | | | | | | |
| Capital Outlay | | | | | | | |
| Grants & Benefits | | | | | | | |
| Miscellaneous | | | | | | | |
| Total Operating | 0.0 | 0.0 | *** | *** | *** | *** | *** |

Fund Source (Operating Only)

| | | | | | | | |
|---------------|------------|------------|-----|-----|-----|-----|-----|
| 1004 Gen Fund | | (85.0) | | | | | |
| 1005 GF/Prgm | | 85.0 | | | | | |
| Total | 0.0 | 0.0 | *** | *** | *** | *** | *** |

Positions

| | | | | | | | |
|-----------|--|--|--|--|--|--|--|
| Full-time | | | | | | | |
| Part-time | | | | | | | |
| Temporary | | | | | | | |

Change in Revenues

| | | | | | | | |
|--|--|--|--|--|--|--|--|
| | | | | | | | |
|--|--|--|--|--|--|--|--|

Estimated SUPPLEMENTAL (FY2016) cost: 0.0 *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2017) 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? yes
 If yes, by what date are the regulations to be adopted, amended or repealed? 02/01/17

Why this fiscal note differs from previous version:

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| Not applicable, initial version. |
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| Prepared By: | Steven Masterman | Phone: | (907)451-5007 |
| Division: | Division of Geological & Geophysical Surveys | Date: | 02/26/2016 12:00 AM |
| Approved By: | Mark Myers, Commissioner | Date: | 02/26/16 |
| Agency: | Department of Natural Resources | | |

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2016 LEGISLATIVE SESSION

Analysis

This bill modifies statute **AS 41.08.030 Printing and Distribution of Reports**, and includes a new section **AS 41.08.045 Fees for facilities, equipment, products and services** to the statutes governing the Division of Geological & Geophysical Surveys (DGGs). This revision and new section provide the division authority to charge fees for products and services provided by the division at the new Geological Material Center (GMC) in Anchorage.

The new center is a greatly improved, expanded, and upgraded facility when compared to the old location in Eagle River. Expectedly, operating and maintenance costs associated with operating this state-of-the-art facility have substantially increased, however, providing a sustainable funding mechanism for the facility through charging for services has been planned since the project's conceptual design.

It is DNR's objective to ultimately place the GMC into the public building fund (PBF) managed by the Department of Administration. Current funding is adequate to operate the facility, but is insufficient to allow the facility to enter the PBF. Entering the PBF is advantageous, as it provides the capital for stable long-term operation, maintenance, and upgrades to the facility. Staying outside the PBF exposes the state to unforeseen costly maintenance projects, such as a roof replacement, additional shelving, or other necessary improvements. By initiating fees at the GMC, DGGs is being proactive to ultimately make the facility primarily user-funded.

Fees will be adopted through the regulatory process. This process generally takes six to nine months to allow for legal review and public comment. As this process will result in revenue generation for the division, there is internal pressure to complete the regulatory process as soon as possible to begin revenue receipt.