

# Fiscal Note

State of Alaska  
2017 Legislative Session

Bill Version:	CSHB 14(FSH)
Fiscal Note Number:	1
(H) Publish Date:	4/28/2017

Identifier: HB014-DEC-WQ-04-21-17  
 Title: LEG. APPROVAL OF BRISTOL BAY SULFIDE  
           MINE  
 Sponsor: JOSEPHSON  
 Requester: House Fisheries Committee

Department: Department of Environmental Conservation  
 Appropriation: Water  
 Allocation: Water Quality  
 OMB Component Number: 2062

**Expenditures/Revenues**

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

	FY2018	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2018 Request	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
<b>OPERATING EXPENDITURES</b>	<b>FY 2018</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>
Personal Services							
Travel							
Services						200.0	45.0
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
<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>200.0</b>	<b>45.0</b>

**Fund Source (Operating Only)**

1004 Gen Fund (UGF)						200.0	45.0
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>200.0</b>	<b>45.0</b>

**Positions**

Full-time							
Part-time							
Temporary							

**Change in Revenues**

None							
<b>Total</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>

**Estimated SUPPLEMENTAL (FY2017) cost:** 0.0 *(separate supplemental appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**Estimated CAPITAL (FY2018) 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 If yes, by what date are the regulations to be adopted, amended or repealed?

**Why this fiscal note differs from previous version:**

Projected costs were moved out two fiscal years to reflect anticipated project timeline.

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Division:	Water	Date:	04/21/2017 01:35 PM
Approved By:	Alice Edwards, Deputy Commissioner	Date:	04/21/2017
Agency:	Department of Environmental Conservation		

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2017 LEGISLATIVE SESSION

## Analysis

This bill requires the Department of Environmental Conservation Commissioner make an independent determination that an applicant for metallic sulfide mining operation located within the watershed of the Bristol Bay Fisheries Reserve has proven beyond a reasonable doubt that the operation will not constitute a danger to the fisheries, fish, or wildlife.

In order to assist the Commissioner in making the independent determination, the Department requires contractual support in the form of technical assistance and legal counsel in reviewing the numerous permits from multiple state and federal agencies. Each time a permit is issued or significantly modified, a new independent determination will need to be made. For a large mine project that would disturb 640 or more acres of land, as described in existing statute at AS 38.05.142 (c), it is expected that routine, ongoing permit modification and reissuance would result in an annual review.

Contractual costs include technical assistance (\$125,000 in the first year) and legal counsel (\$75,000 in the first year). The Department assumes that costs would begin in FY2022, though the project start-up date is unknown at this time.

For years beyond the first independent determination, costs are expected to be reduced given that many of the permits and authorizations will already have been reviewed. Annual costs for FY2023 and beyond are expected to be \$25,000 for technical assistance and \$20,000 for legal counsel.