

Fiscal Note

State of Alaska
2018 Legislative Session

Bill Version:	HB 317
Fiscal Note Number:	1
(H) Publish Date:	1/31/2018

Identifier: DNR-MLW-1-25-18
 Title: MINING: CLAIMS;RIGHTS;RENTAL
 RATES;LABOR
 Sponsor: HOUSE RULES BY REQUEST OF THE
 GOVERNOR
 Requester: Governor

Department: Department of Natural Resources
 Appropriation: Fire Suppression, Land & Water Resources
 Allocation: Mining, Land & Water
 OMB Component Number: 3002

Expenditures/Revenues

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

	FY2019 Appropriation Requested	Included in Governor's FY2019 Request	Out-Year Cost Estimates					
			FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
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 (Operating Only)

None								
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time								
Part-time								
Temporary								

Change in Revenues

1250 UGF Rev (UGF)			(143.0)	(143.0)	(143.0)	(143.0)	(143.0)
1251 Non-UGF (Other)			295.0	295.0	295.0	295.0	295.0
Total	0.0	0.0	152.0	152.0	152.0	152.0	152.0

Estimated SUPPLEMENTAL (FY2018) cost: 0.0 (separate supplemental appropriation required)
 (discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2019) 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 If yes, by what date are the regulations to be adopted, amended or repealed? 12/31/19

Why this fiscal note differs from previous version/comments:

Initial version

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Division:	Mining, Land and Water	Date:	01/25/2018 03:30 PM
Approved By:	Andrew T. Mack, Commissioner	Date:	01/25/18
Agency:	Department of Natural Resources		

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2018 LEGISLATIVE SESSION

Analysis

This bill would eliminate state requirements to conduct annual labor and yearly affidavits for annual labor on state mining claims, leasehold locations, and mining leases. The bill would also increase the annual mining rental rates for mining claims, leasehold locations and mining leases.

The Department of Natural Resources would need to adjust current regulations to incorporate these changes.

Changes to Department Operations

As proposed, the bill will not result in a fiscal impact to the operating expenditures of the Department of Natural Resources. Annual affidavits create a seasonal workload which are currently handled by staff with other responsibilities. During the influx of work related to annual affidavits capacity to do other work is temporarily reduced. Eliminating this requirement will not result in the ability to reduce staff, but will allow those staff to focus on other tasks.

Anticipated Revenue Changes

This bill will result in a net addition to state revenue of an estimated \$152.0 per year.

The rental increase in section 5 of the bill includes an inflation adjustment that is already scheduled to occur under existing law, plus an increment intended to offset revenue losses. The anticipated revenue of annual mining rental rates for mining claims, leasehold locations and mining leases is estimated to be \$736.0 annually.

By statute this revenue will be distributed as:

- 49.5% DGF
- 50% Permanent Fund
- 0.5% Public School Trust Fund

Summary

(328.0)	from lost cash-in-lieu	DGF
(113.0)	from lost recording fees	DGF
364.0	from increased rentals	DGF
(77.0)	net change	DGF
368.0	from increased rentals	PFUND
4.0	from increased rentals	School Trust Fund
295.0	net change in restricted funds	
(143.0)	from lost penalty payments	UGF
152.0	net change in total state revenue	