

# Fiscal Note

State of Alaska  
2019 Legislative Session

Bill Version:	CSSSHB 3(FIN)
Fiscal Note Number:	4
(H) Publish Date:	5/9/2019

Identifier: HB00CS3SS-DNR-DMLW-05-07-19  
 Title: STATE LAND SALE; PFD VOUCHER AND ASSIGN.  
 Sponsor: RAUSCHER  
 Requester: House Resources

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)

	FY2020	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2020 Request	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
<b>OPERATING EXPENDITURES</b>	<b>FY 2020</b>	<b>FY 2020</b>					
Personal Services							
Travel							
Services							
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>0.0</b>	<b>0.0</b>

## Fund Source (Operating Only)

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>

## Positions

Full-time							
Part-time							
Temporary							

## Change in Revenues

1153 State Land (DGF)	(21.4)		(21.4)	(21.4)	(21.4)	(21.4)	(21.4)
<b>Total</b>	<b>(21.4)</b>	<b>0.0</b>	<b>(21.4)</b>	<b>(21.4)</b>	<b>(21.4)</b>	<b>(21.4)</b>	<b>(21.4)</b>

**Estimated SUPPLEMENTAL (FY2019) cost:** 0.0 (separate supplemental appropriation required)

**Estimated CAPITAL (FY2020) cost:** 0.0 (separate capital appropriation required)

**Does the bill create or modify a new fund or account?** No  
 (Supplemental/Capital/New Fund - 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 If yes, by what date are the regulations to be adopted, amended or repealed?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/comments:

The fiscal note is revised to reflect changes made to the bill in the House Finance Committee, and clarifies the impact on revenue of increasing the current 25 percent veterans' discount on land sales to a one-third discount.

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 Agency: Office of Management and Budget

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**REPORTED OUT OF  
HFC 05/09/2019**

FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2019 LEGISLATIVE SESSION

Analysis

Currently, under AS 38.05.940(a), an eligible veteran is entitled to receive a once-in-a-lifetime 25 percent discount on the purchase price of state land that is classified for other than commercial or industrial use. This legislation revises raises it to a one-third discount.

On average, DNR sells 84 parcels of state land per year, at an average price of \$18.3. DNR receives an annual average of \$1,537.2 revenue from the sale of state land, which is deposited into the Land Disposal Income Fund (LDIF) for future land sale development.

Veterans have used the 25 percent discount to purchase an average of 14 parcels of state land a year, based on 19 years of tracking use of this discount. DNR assumes the application rate for purchase of land using the larger veteran's discount will be approximately the same. Veterans who have previously used the 25 percent discount would not be eligible for the one-third discount.

The existing veteran's discount currently reduces DNR's LDIF revenue by:

14 parcels per year  
 x \$18.3 average value of land sold per year  
 x 1/4 discount per parcel sold  
 \$64.00 existing loss of LDIF revenue per year

The increased veteran's discount will reduce DNR's LDIF revenue by:

14 parcels per year  
 x \$18.3 average value of land sold per year  
 x 1/3 discount per parcel sold  
 \$85.4 forecasted loss of LDIF revenue per year

DNR estimates that adopting the larger veteran's discount would result in a net increased loss of LDIF revenue of \$21.4 per year:

(\$85.4 increased loss of LDIF revenue per year - \$64.00 existing loss of LDIF revenue per year =  
 \$21.4 net increased loss of LDIF revenue per year)