

Fiscal Note

State of Alaska
2019 Legislative Session

Bill Version:	CSSB 90(RES)
Fiscal Note Number:	2
(S) Publish Date:	4/30/2019

Identifier: SB90-DNR-MLW-03-22-19
 Title: COOK INLET: NEW ADMIN AREA;PERMIT BUYBACK
 Sponsor: MICCICHE
 Requester: Senate 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
OPERATING EXPENDITURES	FY 2020	FY 2020					
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

Fund Source (Operating Only)

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

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 If yes, by what date are the regulations to be adopted, amended or repealed?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:

Not applicable, initial version based on the 2.13.19 Governor's FY2020 request.

Prepared By:	Marty Parsons, Director	Phone:	(907)269-8625
Division:	Mining, Land & Water	Date:	03/22/2019
Approved By:	Fabienne Peter-Contesse, Administrative Services Director	Date:	03/22/19
Agency:	Office of Management and Budget		

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2019 LEGISLATIVE SESSION

Analysis

Secs. 1 – 4. Because these sections do not apply to Department of Natural Resources (DNR), the department does not anticipate any fiscal impact from these sections.

Sec. 5. Revises AS 16.43 to add a new section AS 16.43.332 to create an elective Alaska Department of Fish & Game (ADF&G) commercial shore setnet entry permit buy-back program. The proposed buy-back program would allow ADF&G to repurchase up to 200 limited entry fishing permits, and requires DNR to terminate without penalty or charge the corresponding shore fish land leases.

Currently, annual rental rates for these shore fish land leases is \$300 per lease. Loss of up to 200 shore fish land leases would reduce revenues to DNR up to \$60,000 annually. However, DNR manages the state's shore fish land lease program from annual rentals from shore fish land leases. Accordingly, under AS 38.05.082, DNR would offset any revenue reduction by increasing the annual rental rate on all remaining shore fish land leases. DNR anticipates that the effort to terminate the affected leases under the bill will not require any additional funding.

This section also requires ADF&G to provide DNR with notice of the sale, the seller's identity, and the affected lease under AS 38.05.082, when ADF&G purchases an ADF&G entry permit under this program. In return, DNR is required to provide ADF&G with the geographic and legal boundaries of a tract for which lease is cancelled under this section. DNR anticipates that the effort to share lease data regarding the affected leases under the bill will not require any additional funding.

The bill is unclear whether the fishery closure anticipated in this legislation applies only to ADF&G's limited entry permits program or to DNR's management of state lands and the issuance of shore fish land leases. For the purposes of this fiscal note, DNR assumes that the limitations only apply to ADF&G's commercial shore setnet entry permits, and that any fishery limitations will be manifested through ADF&G's opening or closing of areas in Eastern Cook Inlet. DNR assumes that these limitations do not apply to DNR's management of state land and that DNR will not be required to maintain shore fish land lease closures indefinitely. Lastly, DNR assumes it will be allowed to continue to issue shore fish land leases to those with a commercial shore set net entry permit in the future if the area is still open to commercial setnet fishing.

Secs. 6 – 8. Based on the assumptions in section 5, DNR does not anticipate any fiscal impact from these sections.

Fiscal Impacts

DNR does not anticipate any fiscal impact from this proposed legislation.