

# Fiscal Note

State of Alaska  
2020 Legislative Session

Bill Version:	CSSSSB 155(RES)
Fiscal Note Number:	1
(S) Publish Date:	2/24/2020

Identifier: CSSB155 DNR-MLW-2-19-20  
 Title: EXPLORATION & MINING RIGHTS; ANNUAL LABOR  
 Sponsor: BISHOP  
 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)

	FY2021 Appropriation Requested	Included in Governor's FY2021 Request	Out-Year Cost Estimates				
			FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
<b>OPERATING EXPENDITURES</b>	<b>FY 2021</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</b>
Personal Services	148.7		148.7	148.7	148.7	148.7	148.7
Travel							
Services							
Commodities	28.0		18.0	18.0	18.0	18.0	18.0
Capital Outlay							
Grants & Benefits							
Miscellaneous							
<b>Total Operating</b>	<b>176.7</b>	<b>0.0</b>	<b>166.7</b>	<b>166.7</b>	<b>166.7</b>	<b>166.7</b>	<b>166.7</b>

## Fund Source (Operating Only)

1005 GF/Prgm (DGF)	176.7		166.7	166.7	166.7	166.7	166.7
<b>Total</b>	<b>176.7</b>	<b>0.0</b>	<b>166.7</b>	<b>166.7</b>	<b>166.7</b>	<b>166.7</b>	<b>166.7</b>

## Positions

Full-time	2.0		2.0	2.0	2.0	2.0	2.0
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 (FY2020) cost:** 0.0 (separate supplemental appropriation required)

**Estimated CAPITAL (FY2021) 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? Yes  
 If yes, by what date are the regulations to be adopted, amended or repealed? 03/30/21

## Why this fiscal note differs from previous version/comments:

Reduction in number of additional staff is requested. The fund source has appropriately been identified as Designated General Funds (DGF) versus Undesignated General Funds (UGF). In FY2019 the Division of Mining, Land and Water (DMLW) generated over \$5.4M in DGF revenues from mining activities.

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Division:	Mining, Land and Water	Date:	02/19/2020
Approved By:	Raquel Solomon-Gross, Administrative Services Director	Date:	02/19/20
Agency:	Office of Management and Budget		

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2020 LEGISLATIVE SESSION

## Analysis

SB 155 amends who, and which entities, may obtain and hold exploration and mining rights. It allows an unqualified person or one that may become unqualified to cure their defect in qualification, or transfer the interest to a qualified person.

The bill changes the requirements for a mining location on state selected land, providing that a mining claim on state selected land may be located only by or with the written and recorded permission of any holder of the unpatented federal mining claim.

The bill provides for a transition period in which the Department of Natural Resources (DNR) will adopt regulations consistent with the changes in this bill, and states that DNR may not declare a mining claim, leasehold location, or prospecting site abandoned under AS 38.05.265.

To implement this act DNR will need 2 additional Natural Resource Specialist I's to research deficiencies in qualifications of mining right holders and annual labor affidavits, review deficiency assertions, issue written notices, adjudicate whether cures to these deficiencies have been made, issue decisions including whether or not a mining rights are voided or invalidated.

As the bill will require DNR to adopt new regulations and assume additional obligations, DNR anticipates the bill will require the following expenditures.

**Personnel Cost-** \$148.7 total annually

**Mineral Properties Management, Staff**

PERSONAL SERVICES COST - \$148.7 total annually

Two Natural Resource Specialists (NRS) I (range 14) at \$74.35/year for a total of \$148.7

TRAVEL - \$0.0 total

COMMODITIES - \$28.0 in FY21 (\$10.0 + \$13.0 + \$5.0); \$18.0 annually in FY22 and beyond (\$13.0 +\$5.0)

Commodity costs include:

\$5.0 for each position for initial office set up in FY21 (2 positions x \$5.0 =\$10.0 total).

\$6.5 annually for office space, telephones, core service charges and related expenses for the new positions in FY21 and beyond (2 positions x \$6.5 =\$13.0 total).

Supplies are budgeted at \$5.0 per year total.