

Fiscal Note

State of Alaska
2022 Legislative Session

Bill Version:	CSHB 120(RES)
Fiscal Note Number:	5
(H) Publish Date:	5/11/2022

Identifier: HB120-DNR-MLW-5-1-2022
Title: STATE LAND SALES AND LEASES; RIVERS
Sponsor: RLS 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)

	FY2023 Appropriation Requested	Included in Governor's FY2023 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2023	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Personal Services	398.4		398.4	398.4	398.4	398.4	398.4
Travel	15.0		15.0	15.0	15.0	15.0	15.0
Services	28.0		28.0	28.0	28.0	28.0	28.0
Commodities	21.5		1.5	1.5	1.5	1.5	1.5
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	462.9	0.0	442.9	442.9	442.9	442.9	442.9

Fund Source (Operating Only)

1153 State Land (DGF)	462.9		442.9	442.9	442.9	442.9	442.9
Total	462.9	0.0	442.9	442.9	442.9	442.9	442.9

Positions

Full-time	4.0		4.0	4.0	4.0	4.0	4.0
Part-time							
Temporary							

Change in Revenues

None			***	***	***	***	***
Total	0.0	0.0	***	***	***	***	***

Estimated SUPPLEMENTAL (FY2022) cost: 0.0 (separate supplemental appropriation required)

Estimated CAPITAL (FY2023) cost: 0.0 (separate capital appropriation required)

Does the bill create or modify a new fund or account? Yes
(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If yes, by what date are the regulations to be adopted, amended or repealed? 6/30/2023

Why this fiscal note differs from previous version/comments:

Updated to SLA22 form and revised regulations adoption date.

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Agency: Department of Natural Resources

Phone: (907)269-8625
Date: 05/01/2022
Date: 05/01/22

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2022 LEGISLATIVE SESSION

Analysis

This proposed bill revises AS 38.04.022 to increase the Land Disposal Income Fund (LDIF)'s current \$5,000.0 million balance limit to \$12,000.0 million. Revenue from land sales enabled by this bill would begin in FY2023, and any receipts exceeding the new LDIF limit will be deposited into the General Fund (GF). As the department cannot predict whether, or by what amount, the proposed higher LDIF cap will be exceeded, the additional GF revenue beginning in FY2023 is indeterminate.

This proposed bill also increases the maximum term of a contract for sale to 30 years from 20 years and creates a new statute providing for the disposal of state lands deemed suitable for commercial development through a lease to sale program.

To implement the bill, the Department of Natural Resources (DNR) will need to evaluate land nominations, identify land offering areas, prepare documents relating to planning and classification/reclassification of lands to be offered, prepare best interest findings under AS 38.05.035(e) and provide appraisal of the land under AS 38.05.840. This will require a minimum of one new Natural Resource Specialist (NRS) III, two new NRS IIs (one in the Land Conveyance Section and one in the Resource Assessment and Development Section), and one Appraiser I as well as implementation costs. DNR anticipates the funding source will be from the LDIF and not the General Fund.

Personal Services – \$398.4 annually (LDIF)

One NRS III (range 18) at \$108.3/year

Two NRS II (range 16) at \$96.7/year for a total of \$193.4

One Appraiser I (range 16) at \$96.7/year

Travel – \$15.0 annually (LDIF)

Travel is estimated at \$15.0 annually for field verification of parcel locations/conditions.

Contractual – \$28.0 annually (LDIF)

Contractual costs include: \$7.0 annually for office space, telephones, core service charges and related expenses for the new positions (4 positions x \$7.0 = \$28 total).

Commodities – \$21.5 in FY22, \$1.5 annually in FY23 and beyond (LDIF)

\$5.0 for each position for initial office set up in FY22 (4 positions x \$5 = \$20 total)

Supplies are budgeted at \$1.5 per year total.