

Fiscal Note

State of Alaska
2024 Legislative Session

Bill Version:	HB 217
Fiscal Note Number:	2
(H) Publish Date:	4/19/2024

Identifier: HB217-DEC-WIF-04-17-24
 Title: COMM PSSG VESSEL ENVIRONMENTAL COMPLIANCE
 Sponsor: RLS BY REQUEST OF THE GOVERNOR
 Requester: House Transportation

Department: Department of Environmental Conservation
 Appropriation: Water
 Allocation: Water Quality, Infrastructure Support & Financing
 OMB Component Number: 3204

Expenditures/Revenues

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

	FY2025	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2025 Request	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
OPERATING EXPENDITURES	FY 2025	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
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)

1166 Vessel Com (Other)	2,000.7		2,000.7	2,000.7	2,000.7	2,000.7	2,000.7
1205 Ocn Ranger (Other)	(2,000.7)		(2,000.7)	(2,000.7)	(2,000.7)	(2,000.7)	(2,000.7)
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

1166 Vessel Com (Other)	6,525.3		6,609.1	6,609.1	6,609.1	6,609.1	6,609.1
1205 Ocn Ranger (Other)	(6,507.5)		(6,507.5)	(6,507.5)	(6,507.5)	(6,507.5)	(6,507.5)
Total	17.8	0.0	101.6	101.6	101.6	101.6	101.6

Estimated SUPPLEMENTAL (FY2024) cost: 0.0 *(separate supplemental appropriation required)*

Estimated CAPITAL (FY2025) 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 If yes, by what date are the regulations to be adopted, amended or repealed? 01/01/24

Why this fiscal note differs from previous version/comments:

Submitted at the request of the House Chief Clerks Office and updated to 2024; however, this fiscal note is no longer valid to HB 217.

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Division:	Commissioner's Office	Date:	04/16/2024 02:30 PM
Approved By:	Megan Kohler, Administrative Services Director	Date:	04/16/24
Agency:	Office of Management and Budget		

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2023 LEGISLATIVE SESSION

Analysis

This bill updates existing statutes regarding the Department of Environmental Conservation's ability to regulate and oversee the environmental impact of commercial passenger vessels in Alaska waters. The bill clarifies responsibilities of the Department and aligns the regulation of commercial passenger vessels with how the Department regulates all other major industries in Alaska. In place of the ocean rangers, the bill strengthens and clarifies the inspection and enforcement authority of the Department's compliance staff.

This bill also establishes a simplified environmental compliance fee of \$5 per/lower berth for each voyage during which the commercial passenger vessel operates in the marine waters of the state. This replaces both the tiered environmental compliance fees and the \$4 ocean ranger fee. The new fee would be reduced by \$1 for commercial passenger vessels using an electronic monitoring system and provides the appropriate monitoring data to the department. These fee changes would not go into effect until January 1, 2024, for the large vessels and January 1, 2025, for the small vessels.

The bill would establish a wastewater infrastructure grant fund with revenues from the Commercial Passenger Vessel Environmental Compliance Fund to establish, upgrade, or improve a wastewater treatment collection system or facility in a port community that serves commercial passenger vessels and passengers. Appropriations from the Commercial Passenger Vessel Environmental Compliance Fund shall be deposited in a separate account within the fund. The Department may establish in the fund the accounts it considers appropriate. The Department may expend for wastewater infrastructure grants without further appropriation.

All revenues from fees under this bill will continue to collect into the Commercial Passenger Vessel Environmental Compliance Fund. By eliminating the ocean ranger fee as a separate fee there will no longer be a fund code for tracking expenditures of ocean ranger fees separately from commercial passenger vessel environmental compliance fees. A fund source change from ocean ranger fees to commercial passenger vessel environmental compliance fees is necessary.

Total revenue to the Fund is expected to see a net increase of approximately \$17.8 in FY2024 with the delay in the new fee structure for small vessels and \$101.6 in FY2025 with full implementation. This is based on the registrations for the 2022 summer season. It reflects an increase to revenue from ships with fewer than 250 berths that were exempt from ocean ranger fees, and slightly increased revenue from larger ships where environmental compliance fees ranged between \$0.70 to \$1.75 per berth depending on what tier a vessel fell within.