

Fiscal Note

State of Alaska
2024 Legislative Session

Bill Version:	HB 281
Fiscal Note Number:	1
(H) Publish Date:	1/22/2024

Identifier: 0026-DNR-DMLW-01-11-2024
 Title: STATE LAND FOR REMOTE REC CABIN SITES
 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)

	FY2025	Included in	Out-Year Cost Estimates					
	Appropriation Requested	Governor's FY2025 Request	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
OPERATING EXPENDITURES	FY 2025	FY 2025	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Personal Services	631.8		631.8	631.8	631.8	631.8	631.8	631.8
Travel								
Services	75.0		75.0	75.0	75.0	75.0	75.0	75.0
Commodities	25.0							
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	731.8	0.0	706.8	706.8	706.8	706.8	706.8	706.8

Fund Source (Operating Only)

1004 Gen Fund (UGF)	731.8		706.8	706.8	706.8	706.8	706.8	706.8
Total	731.8	0.0	706.8	706.8	706.8	706.8	706.8	706.8

Positions

Full-time	5.0		5.0	5.0	5.0	5.0	5.0	5.0
Part-time								
Temporary								

Change in Revenues

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

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? 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 If yes, by what date are the regulations to be adopted, amended or repealed? 03/01/24

Why this fiscal note differs from previous version/comments:

Not applicable, initial version.

Prepared By:	Christy Colles, Director	Phone:	(907)269-8532
Division:	Mining, Land, and Water	Date:	01/11/2024 04:09 PM
Approved By:	Theresa Cross, Administrative Services Director	Date:	01/12/24
Agency:	Department of Natural Resources		

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2024 LEGISLATIVE SESSION

Analysis

This legislation allows Alaska residents to lease or purchase up to 10 acres of vacant state land for recreational purposes. The Division of Mining, Land, and Water (DMLW) anticipates the modified program will be very popular, with the ability to permit remote recreational cabin sites in addition to the option to lease and purchase the site available under the current program in AS 38.05.600.

Regarding associated regulations: Under proposed AS 38.05.600(i), the commissioner may adopt regulations under AS 44.62 necessary to implement the purposes of the newly reenacted .600. DMLW would aim to adopt regulations by March 2025.

The Division estimates approximately 50 parcels per offering that are successful in completion of sale annually; however, increased interest in the new program may increase participation. Remote parcel values vary substantially from approximately \$650-\$10,000 per acre based on multiple factors such as location, amenities, size, access, waterfrontage, etc. Assuming 10 acres each (500 acres annually) at an average sale price of \$1,500-\$5,000 per acre, the department estimates a yield of \$750,000 to \$2,500,000 of annual sales. Assuming increased participation and potential for nominated lands to have increased value per acre with an increased success to sale rate, revenue could be increased. This revenue is land value that could be received incrementally over time through sale contracts or through a lump sum payment.

Estimating revenue from permitting remote recreational sites is difficult as the department does not have regulations developed for this program. This bill requires the department to develop regulations implementing statutes under AS 38.05.630. Until such time as the regulations are developed any estimate of potential revenue related to permitting remote recreational sites is too speculative.

DMLW assumes high interest in this program. To fully implement this program, DMLW anticipates a total of five positions will be needed.

DMLW Costs:**Personal Services \$631.8**

One Permanent Full-Time Land Surveyor 1, Range 21, Anchorage: \$146.9

One Permanent Full-Time Natural Resource Manager 1, Range 18, Anchorage: \$127.9

Two Permanent Full-Time Natural Resource Specialists 3, Range 18, Anchorage \$123.5 each: \$247.0

One Permanent Full-Time Natural Resource Specialist 2, Range 16, Anchorage: \$110.0

Note: If DMLW determines that the number of applications are outpacing current staff ability to adjudicate applications in a timely fashion, the Division will request additional positions necessary to meet the program demand.

Services \$75.0

Core Costs by PCN (\$15.0 each annually)

Commodities \$25.0

Initial position setup (\$5.0 each one time)