

# Fiscal Note

State of Alaska  
2024 Legislative Session

Bill Version:	CSHB 329(FSH) am
Fiscal Note Number:	2
(S) Publish Date:	5/13/2024

Identifier: HB329CS(FSH)-DNR-DMLW-04-23-24  
 Title: AQUATIC FARMS AND HATCHERIES  
 Sponsor: VANCE  
 Requester: (H)FIN

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
<b>OPERATING EXPENDITURES</b>	<b>FY 2025</b>	<b>FY 2025</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>	<b>FY 2029</b>	<b>FY 2030</b>
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
<b>Total Operating</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>	<b>0.0</b>

**Fund Source (Operating Only)**

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>	<b>0.0</b>

**Positions**

Full-time								
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>	<b>0.0</b>

**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 If yes, by what date are the regulations to be adopted, amended or repealed? **07/01/24**

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

Updated to reflect out-year revenue loss starting in 2036 as indicated in the analysis section.
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Prepared By:	Christy Colles, Director	Phone:	(907)269-8625
Division:	Mining, Land and Water	Date:	04/23/2024 12:00 AM
Approved By:	Theresa Cross, Administrative Services Director	Date:	04/24/24
Agency:	Natural Resources		

FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2024 LEGISLATIVE SESSION

Analysis

This bill would amend the Aquatic farming and hatchery site lease statutes in AS 38.05.083 and would increase the authorization term length for aquatic farm lease renewals from 10-year to 20-year lease terms. The department will see a loss in revenue stemming from lease renewal applications.

All dollars below are represented in whole terms.

Lease renewal applications are divided into three groups:

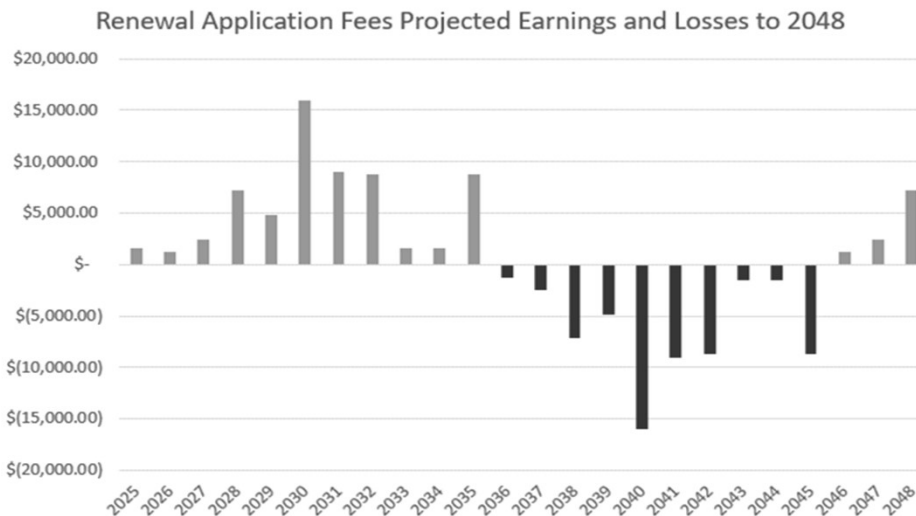
For a total of one acre or less in size, for up to 14 hours of staff time = \$280.00

For a total of greater than one acre but no more than three acres, for up to 30 hours of staff time = \$600.00

For greater than three acres, for up to 60 hours of staff time = \$1,200.00

The projected average yearly revenue from renewal applications for the years 2025 through 2035 is \$5,654.00. Because the lease term for renewals would be extended from 10 years to 20 years, there would be a period when the Department would see revenue losses from lease renewal application fees, from 2036-2045. With the reduction of staff time needed to adjudicate lease renewal applications for 20-year leases, that time would be used to further expedite the lease application process for other lease applications, including new leases, assignments, and amendments. This projection is based on currently authorized leases and does not account for new lease applications received and the renewal revenue future new leases would generate. Over the last five years, the Aquatic Farm Leasing Program has generated an average of \$23,120.00 in new application fees. After 10 years, leases falling under the new statute language will need to apply for a 20-year renewal lease term. renewal applications:

- 2025: \$1,480.00
- 2026: \$1,200.00
- 2027: \$2,400.00
- 2028: \$7,120.00
- 2029: \$4,800.00
- 2030: \$15,880.00
- 2031: \$9,000.00
- 2032: \$8,680.00
- 2033: \$1,480.00
- 2034: \$1,480.00
- 2035: \$8,680.00
- 2036: - \$1,200.00
- 2037: - \$2,400.00
- 2038: - \$7,120.00
- 2039: - \$4,800.00
- 2040: - \$15,880.00
- 2041: - \$9,000.00
- 2042: - \$8,680.00
- 2043: - \$1,480.00
- 2044: - \$1,480.00
- 2045: - \$8,680.00
- 2046: \$1,200.00
- 2047: \$2,400.00
- 2048: \$7,120.00



The department would realize a 45% decrease in renewal application revenue by authorizing 20-year lease terms.