

Fiscal Note

State of Alaska
2024 Legislative Session

Bill Version:	HB 332
Fiscal Note Number:	1
(H) Publish Date:	5/3/2024

Identifier: HB332-DNR-DMLW-03-06-24
 Title: SALE OF ALASKA RAILROAD
 Sponsor: SUMNER
 Requester: (H) TRA

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	***		***	***	***	***	***	***
Travel								
Services								
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	***	0.0	***	***	***	***	***	***

Fund Source (Operating Only)

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

Positions

Full-time	***		***	***	***	***	***	***
Part-time								
Temporary								

Change in Revenues

None								
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0	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? No
 If yes, by what date are the regulations to be adopted, amended or repealed? N/A

Why this fiscal note differs from previous version/comments:

This fiscal note was updated to reflect the Department of Natural Resources being the executive branch agency directed by the governor to issue a request for proposal for purchase of the Alaska Railroad.

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Division:	Mining, Land and Water	Date:	03/05/2024 04:40 PM
Approved By:	Theresa Cross, Administrative Services Director	Date:	03/07/24
Agency:	Natural Resources		

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2024 LEGISLATIVE SESSION**Analysis**

This bill would direct the sale of the Alaska Railroad and the dissolution of the Alaska Railroad Corporation by the governor. Department of Natural Resources (DNR) would handle all aspects of the Request for Proposal (RFP) to purchase the railroad and dispose of all assets currently owned by the Alaska Railroad.

The Department's expenditures to implement this bill are indeterminate.

DNR will need to hire a third party contractor to handle the RFP and the transfer of real property. DNR would also require a Reimbursable Service Agreement (RSA) for engaging with other state agencies to implement this legislation.

The bill would also direct that real property "not necessary or convenient for the operation of the railroad" as identified by the governor be transferred to the Department of Natural Resources for management. Land to be conveyed to the state must be evaluated to ensure DNR can receive clean title to the lands; the lands must be surveyed prior to conveyance; and the condition of the land must be reviewed to ensure the state is not accepting lands with contamination or other perpetual liabilities.

Personal Services:

Staffing will be required to support the following tasks in the timeline currently outlined in the bill:

- Development of RFP.
- Evaluation of contaminated sites.
- Evaluation of land to be transferred to the Department of Natural Resources.
- Review of surveys from the Alaska Railroad Corporation (or buyer) for lands to be transferred to the Department of Natural Resources.
- Drafting of survey instructions.
- Identification of existing encumbrances.
- Identification of existing or needed access.
- Review for consistency with State plans and possible plan amendment or revision.
- Identification of lands that are "resource rich areas of the state" (Section 2 (c)(1)) to be included in the proposed resource development agreement.
- Review and issue authorizations.
- Review of proposed railroad expansion areas for cultural and archaeological resources.

Travel:

DNR anticipates this bill will result in an increase in statewide travel for staff reviewing and evaluating lands.

Contractual:

Includes contracts such as: development and implementation of the RFP; cultural and archaeological review; and survey among others.

Commodities:

One time start up costs for each new position.