

Fiscal Note

State of Alaska
2025 Legislative Session

Bill Version:	HB 72
Fiscal Note Number:	1
(H) Publish Date:	1/27/2025

Identifier: 0450-DNR-DOF-01-24-25
 Title: TIMBER MANAGEMENT LEASES
 Sponsor: RLS BY REQUEST OF THE GOVERNOR
 Requester: GOVERNOR

Department: Department of Natural Resources
 Appropriation: Fire Suppression, Land & Water Resources
 Allocation: Forest Management & Development
 OMB Component Number: 435

Expenditures/Revenues

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

	FY2026	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2026 Request	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
OPERATING EXPENDITURES	FY 2026	FY 2026					
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)

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

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

Estimated SUPPLEMENTAL (FY2025) cost: 0.0 *(separate supplemental appropriation required)*

Estimated CAPITAL (FY2026) 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 If yes, by what date are the regulations to be adopted, amended or repealed? **04/01/26**

Why this fiscal note differs from previous version/comments:

Not applicable; initial version.

Prepared By:	Jeremy Douse, Deputy Director	Phone:	(907)451-2670
Division:	Forestry & Fire Protection	Date:	01/16/2025 01:00 PM
Approved By:	Ann McPherson, Acting Budget Manager	Date:	01/24/25
Agency:	Natural Resources		

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2025 LEGISLATIVE SESSION**Analysis**

This bill creates a new authority for the Department of Natural Resources to grant a timber management lease to an operator, allowing for the third-party harvest and management of timber on state forest land.

It creates a request for proposal process for the commissioner to obtain proposals from persons interested in leasing land that the commissioner identifies for long-term management. The bill also allows for a person to nominate state forest land for a timber management lease. This bill enables the timber management lease to be issued for 55 years, with a one-time option of extending the lease for another 55 years (maximum of 110 years). Currently, the department's longest authorization for timber sales is for up to 25 years.

New regulations will be required to reflect changes to statute.

The Division of Forestry & Fire Protect (DOF&FP) does not anticipate a fiscal impact. Any workload resulting from the bill can be absorbed by existing staff levels.

Change In Revenues:

The bill provides that the commissioner shall charge compensation for a timber management lease to ensure a fair return to the state, considering the benefits of the lessee's activities to the state and the surrounding communities. As the commissioner has the flexibility to determine a fair return on factors specific to each lease proposal, the change in revenues to the State is indeterminate at this time.