

SB108

SENATE FINANCE COMMITTEE REPORT

DATE: 4/12/91

FURTHER:

DATE TURNED
INTO OFFICE:

5-15-91

The Finance Committee considered SENATE BILL NO. 108

"An Act relating to the classification and reclassification of state land by the Department of Natural Resources."

and recommended:

replace with _____ CS
 or adopt CS 5A 108 (RES)
 attached amendment(s)
 _____ letter of intent adopted

same title
 new title
 technical
title change
(HB only)

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

ATTACHES NEW FISCAL NOTE(S):

fiscal note(s) _____ Dept/Date:

zero fiscal note(s) _____

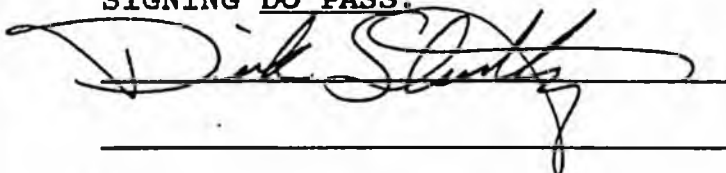
appropriation-no fiscal note

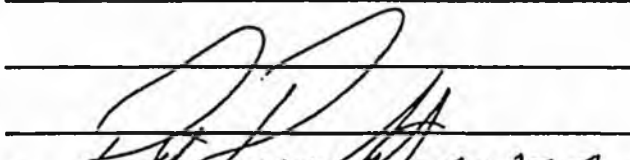
APPROVES PREVIOUS:

fiscal note(s) _____ Dept/Date:
DNR 4-4-91 #71.0

zero fiscal note(s) _____

SIGNING DO PASS:





1. Pat Lamm NO REC

OTHER RECOMMENDATIONS:

J. Durca - NO REC

Al Adams - NO REC

Tommy Hefner NO REC

Ruthie Uehling NO REC

2. [Signature] NO REC

Co-Chairs: Signatures and Recommendations

STATE OF ALASKA
1991 LEGISLATIVE SESSION

Bill Number: SB 108

(S) Publish Date: 4/12/91

Revision Date: _____ Department Affected: Natural Resources
 Title: An Act relating to the classification of BRU: Land & Water Management
state land Components: Land & Water Management
 Sponsor: Senator Shultz
 Requestor: Senate Resources COMPONENT SERIAL NO. 431

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	54.6	54.6	54.6	54.6	54.6	54.6
TRAVEL	6.0	6.0	6.0	6.0	6.0	6.0
CONTRACTUAL	10.0	10.0	10.0	10.0	10.0	10.0
SUPPLIES	0.4	0.4	0.4	0.4	0.4	0.4
EQUIPMENT						
LAND&STRUCTURES						
GRANTS,CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	71.0	71.0	71.0	71.0	71.0	71.0

CAPITAL	**					
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REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND	71.0	71.0	71.0	81.0	71.0	71.0
FEDERAL FUNDS						
OTHER						
TOTAL	71.0	71.0	71.0	81.0	71.0	71.0

POSITIONS:

FULL-TIME	1.0	1.0	1.0	1.0	1.0	1.0
PART-TIME						
TEMPORARY						

Estimate of Current year impact: 0

ANALYSIS: (Attach a separate page if necessary)

To provide economic feasibility studies on all proposed land classification actions.

** In addition, approximately \$14,000 per township would be needed for mineral assessments.
 (Mineral values cannot be determined)

Prepared by: Ron Swanson Phone: 762-2680
 Division: Land & Water Management Date: 4-Apr-91

Approved by Commissioner: AS Harold Heinze Date: 4-Apr-91
 Agency: Department of Natural Resources

Distribution (by preparer) : Legislative Finance, legislative Sponsor, Req & Impacted Agency(ies).

REV 10/90

Changes in CS SB 108 (RS)
 reflect NO FISCAL CHANGE from the original
 fiscal note. This fiscal note is appropriate.

4/5/91 PT
 date Comte Aide (initial)

CS FOR SENATE BILL NO. 108 (RESOURCES)
 IN THE LEGISLATURE OF THE STATE OF ALASKA
 SEVENTEENTH LEGISLATURE - FIRST SESSION

BY THE SENATE RESOURCES COMMITTEE

Offered: 4/12/91
 Referred: Finance

Sponsor(s): SENATORS SHULTZ, Jones

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the classification and reclassification of state land by the Department
 2 of Natural Resources, and to the preparation of statements of probable economic effect on
 3 certain bills relating to state land."

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

5 * Section 1. AS 38.05.300(b) is amended to read:

6 (b) Not later than February 1 of each year, the commissioner shall submit a written report
 7 to each house of the legislature that

8 (1) [WHICH] describes and shows the location of all classifications of state land
 9 made under (a) of this section during the preceding year; and

10 (2) transmits the analysis of proposed land classifications and reclassifications
 11 required by (c) of this section.

12 * Sec. 2. AS 38.05.300 is amended by adding a new subsection to read:

13 (c) Before publishing notice of a proposed classification or reclassification under
 14 AS 38.05.945, the commissioner shall determine whether the proposed classification or

1 reclassification will restrict or limit the disposal of an interest in the land or its resources. If the
2 commissioner finds that the proposed classification or reclassification will restrict or limit the
3 disposal of an interest in the land or its resources, the commissioner shall analyze the probable
4 economic effect of the proposed classification or reclassification. The commissioner shall submit
5 the analysis prepared under this subsection to the legislature. An analysis prepared under this
6 subsection must

7 (1) include an estimate of the value of the resources on the land proposed for
8 classification or reclassification;

9 (2) consider the probable short-term and long-term economic effect of the
10 proposed classification or reclassification on the region in which the land is located and on the
11 state; and

12 (3) consider the types and number of persons that will probably be affected by
13 the proposed classification or reclassification, and evaluate the anticipated effect of the proposed
14 classification or reclassification on persons who are developing resources at the time of the
15 proposed classification or reclassification.

16 * Sec. 3. AS 24.08 is amended by adding a new section to read:

17 Sec. 24.08.034. STATEMENT OF PROBABLE ECONOMIC EFFECT ON BILLS
18 RELATED TO STATE LAND. (a) Before a bill that has the effect of classifying or
19 reclassifying state land or of restricting the use of state public domain land is reported from the
20 committee of first referral, the committee shall attach to the bill a statement of the bill's probable
21 economic effect. The statement of probable economic effect must

22 (1) include an estimate of the value of the resources on the land proposed for
23 classification, reclassification, or reservation of state public domain land;

24 (2) consider the probable short-term and long-term economic effect of the
25 proposed classification, reclassification, or reservation of state public domain land on the region
26 in which the land is located and on the state; and

27 (3) consider the types and number of persons that will probably be affected by
28 the proposed classification, reclassification, or reservation of state public domain land and
29 evaluate the anticipated effect of the proposed classification, reclassification, or reservation of
30 state public domain land on persons who are developing resources on the land at the time of the
31 proposed classification, reclassification, or reservation.

1 (b) An amendment or a substitute bill proposed by a committee of referral that changes
2 the probable economic effect of a bill for which a statement of probable economic effect is
3 required shall be explained in a revised statement attached to the bill.

4 (c) The analysis required by this section is in addition to the fiscal note requirements of
5 AS 24.08.035.



Alaska State Legislature

SENATE

Official Business

P.O. Box V
State Capitol
Juneau, Alaska 99811

MEMORANDUM

TO: ALL SENATORS
FROM: SENATOR SHULTZ *DS*
DATE: FEBRUARY 6, 1991
RE: ECONOMIC IMPACT STATEMENT

We all know what an Environmental Impact Statement is. The basis for an EIS is the public's right to know what impacts development is having on a given environment.

There is other information valuable to the public and I am introducing a bill to correct this inequity.

The legislation I am proposing will require those who propose to restrict the use of public lands to provide the legislature an estimate of the value of the resources being lost as a result of the proposed restriction. This will include both the long and short term economic effects of the restriction.

Finally, the bill would require an assessment of the types and numbers of people affected by the proposed land restriction including those who are using the resources at the time the restriction is made.

SB 108 BILL HISTORY

OVER THE YEARS I HAVE WATCHED HUNDREDS OF THOUSANDS OF ACRES OF ALASKA SET ASIDE FOR SPECIAL USES.

EACH TIME THIS IS DONE WE LOSE THE MULTIPLE USE CONCEPT AS CERTAIN USES ARE RESTRICTED.

WHENEVER DEVELOPMENT INTERESTS APPLY FOR THE USE OF A RESOURCE THEY ARE REQUIRED AT THEIR EXPENSE TO INVENTORY THE OTHER VALUES OF THE AREA THEY WILL BE USING. TO ME IT ONLY MAKES SENSE THAT THE LEGISLATURE BE APPRISED OF THE RESOURCE VALUES BEFORE LAND AND WATER IS PUT OFF LIMITS TO DEVELOPMENT.

IT SURPRISES ME THAT AGENCIES ALWAYS SEEM TO HAVE THE TIME AND MONEY TO HALT DEVELOPMENT BY PROVIDING A RESOURCE INVENTORY TO THE LEGISLATURE, BUT CAN NOT CARRY OUT THE MANDATES OF THIS LEGISLATION WITHOUT NEW POSITIONS AND A FISCAL NOTE.

I FEEL WE NEED TO KNOW THE BIG PICTURE BEFORE WE MAKE OUR VALUE JUDGEMENTS. POLITICS ASIDE THIS TYPE OF APPROACH TO USE OF OUR LAND AND RESOURCES JUST MAKES GOOD SENSE.

I WOULD EXPECT THOSE WHO HAVE A PREJUDICE AGAINST DEVELOPMENT TO OPPOSE THIS BILL, JUST AS THEY HAVE OPPOSED ANY OTHER PIECE OF LEGISLATION WHICH FALLS OUTSIDE THEIR SPECIAL INTEREST.

I FOR ONE, WOULD LIKE TO KNOW HOW MANY MILLIONS OF DOLLARS OR RESOURCES ARE ALREADY LOCKED AWAY IN OUR REFUGES, PUBLIC USE AREAS, MARINE PARKS, CRITICAL HABITAT, PARKS, MOOSE RANGES, ETC.

IT IS TIME WE TRY TO BALANCE THE EQUATION AND TO DO THAT WE NEED TO KNOW THE VALUES ON BOTH SIDES OF IT.

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

April 4, 1991

OFFICE OF THE COMMISSIONER

WALTER J. HICKEL, GOVERNOR

400 WILLOUGHBY AVENUE
JUNEAU, ALASKA 99801-1796
PHONE: (907) 465-2400
FACSIMILE: (907) 586-2754

The Honorable Lloyd Jones, Chair
Senate Resources Committee
P.O. Box V
Juneau, AK 99811

Dear Senator Jones:

Subject: SB 108, which relates to the classification and reclassification of state land.

Position: The Department of Natural Resources believes that economics should be given more consideration before state land classifications are made. While we do not object to the intent of this bill, rather than instituting a new requirement in statute, we believe it would be more cost effective to allow us to consider economics administratively, during the land use planning process.

Background: This bill requires the department to analyze the effects of a land classification before it is adopted. The analysis must include an estimate of the value of the resources in the area to be classified, the probable short and long term effects on the region of the classification, and the number and type of persons affected by the classification.

Currently, land classifications are adopted if a review of the proposed action determines it to be in the best interests of the state. Economic factors are considered in this review, but a detailed economic analysis of the proposed classification is not performed. Land valuation exercises associated with the mental health trust land issue have demonstrated that determining the value of mineral resources in place is extremely difficult if not impossible. Our fiscal note shows the cost of a mineral assessment per township, it does not address mineral valuations.

AS 38.04.065 requires state land classifications to be the result of and consistent with state land use plans for a region. If a plan has not been completed for a region, a site specific plan must be developed before the site can be classified. In general, if state land is not classified, it can not be sold or leased, and permits for its use cannot be issued. State land plans take several years to complete, with considerable public involvement, after economics and other factors affecting an area are considered. All classification categories are for multiple use of an area, although a particular use may be considered primary. Classifications may be changed by administrative action.

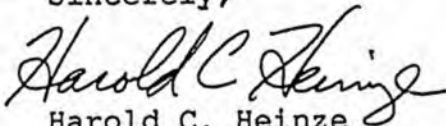
The economic consequences of land use classifications should always be considered, but a detailed economic analysis and mineral valuation should not be statutorily required for every classification action. Aside from the costs of such a requirement,

the difficulties of acquiring reliable data and of quantifying resource values could make land classifications difficult to complete. Since land must be classified before it can be sold or leased, activities on state land could be slowed considerably or even prevented.

Recommendation: Allow the department to administratively place more emphasis on the economic consequences of land use classifications during the land use planning process. If legislative direction is considered necessary, change the focus of the bill from land classification to land planning and fund the department to hire an economist to work on land use plans. Amend the planning statute, AS 38.04.065 (b) (2), to read as follows:

consider both current and future physical, economic, and social factors affecting the area, as well as the economic effects that state land classifications resulting from a plan may have both locally and statewide, and involve other agencies and the public in achieving a systematic interdisciplinary approach:

Sincerely,



Harold C. Heinze
Commissioner

cc: Committee Members
Senator Snultz
Bruce Kendall, Legislative Liaison, Office of the Governor

STATE OF ALASKA
1992 LEGISLATIVE SESSION

BILL NO. CSSB108 (Res)

Revision Date: 21-Jan-92 Department Affected: Natural Resources
 Title: An Act Relating to the Classification of state land BRU: Land & Water Management
 Components: Land & Water Management
 Sponsor: Senator Shultz
 Requestor: Senate Rules COMPONENT SERIAL NO. 431

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	60.0	60.0	60.0	60.0	60.0	60.0
TRAVEL	6.0	6.0	6.0	6.0	6.0	6.0
CONTRACTUAL	10.0	10.0	10.0	10.0	10.0	10.0
SUPPLIES	0.4	0.4	0.4	0.4	0.4	0.4
EQUIPMENT						
LAND&STRUCTURES						
GRANTS,CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	76.4	76.4	76.4	76.4	76.4	76.4

CAPITAL	**					
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REVENUE						
Funding Source:						

FUNDING: (Thousands of Dollars)

GENERAL FUND	76.4	76.4	76.4	76.4	76.4	76.4
FEDERAL FUNDS						
OTHER						
Funding Source:						
TOTAL	76.4	76.4	76.4	76.4	76.4	76.4

POSITIONS:

FULL-TIME	1.0	1.0	1.0	1.0	1.0	1.0
PART-TIME						
TEMPORARY						

Estimate of Current year impact: 0

ANALYSIS: (Attach a separate page if necessary)

To provide economic feasibility studies on all proposed land classification actions.

** In addition, approximately \$14,000 per township would be needed for mineral assessments.
(Mineral values cannot be determined)

Prepared by: Ron Swanson Phone: 762-2680
 Division: Land & Water Management Date: 21-Jan-92

Approved by Commissioner: 18 Harold C. Heinze Date: 21-Jan-92
 Agency: Department of Natural Resources

Distribution (by preparer) : Legislative Finance, legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

80108

SIS 108

Position Title Economist I		No. of Positions 1	Range/Step 18B	Barg. Unit GGU
Time Status PFT	Staff Months 12	Location Anchorage		Election District
TYPE OF EXPENDITURE		Amount	Justification CSS108 (Res) This position is needed to conduct economic studies on all land use classifications to determine the economic impact a particular classification would have on other possible land uses. These must be analyzed for their short and long term affects and the number and types of people which would be affected. Contractual money is for the purchase of data needed to conduct the analysis and for normal overhead expenses associated with any position.	
Salary	42.0			
Benefits	17.0			
Premium Pay				
Other	1.0			
Total Personal Services				
Travel		60.0		
Contractual		6.0		
Commodities		10.0		
Equipment		.4		
Other				
Total Cost		76.4		
FUNDING SOURCE FOR TOTAL COST				
Federal Receipts	1002			
G.F. Match	1003			
General Fund	1004	76.4		
I-A Receipts	1007			
CIP Receipts	1061			
Other				

**Request For
New Position**
rncss108

AGENCY Natural Resources
BRU Land & Water
COMPONENT Land & Water

Page 2 of 2
Revised Date: _____

FY 93

FISCAL NOTE

STATE OF ALASKA
1992 LEGISLATIVE SESSION

BILL NO. CSSB 108

Revision Date: 01/21/92

Department Affected: Fish and Game

Title: Economic effect of land

BRU: Habitat

classification _____

Component: Habitat

Sponsor: Senator Shultz

Requestor: Senate Rules

COMPONENT SERIAL NO.

	4	8	6
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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL	0	0	0	0	0	0
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REVENUE FUND SOURCE: 1024	0	0	0	0	0	0
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FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER FUND SOURCE:	0	0	0	0	0	0
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year impact: None

ANALYSIS: (Attach a separate page if necessary.)

Prepared By: Geron Bruce Phone: 465-4100

Division: Commissioner's Office Date: 2/28/92

Approved by Commissioner: *Don Jermoloff*

Agency: Department of Fish and Game Date: 3/1/92

Distribution (by preparer): Leg. Fin., Legislative Sponsor, Requestor, OMB/DBR, Gov. Legis. OSC., & Impacted Agency(ies).

FISCAL NOTE

No. 1

Bill Version: SB 108

(S) Publish Date: 4/12/91

STATE OF ALASKA
1991 LEGISLATIVE SESSION

Revision Date: 2-25-91 Department Affected: Fish and Game

Title: Economic Effect of Land Classification BRU: Habitat

Component: Habitat

Sponsor: Senator-Shultz/Senator Jones

Requestor: _____ COMPONENT SERIAL NO.

	4	8	6
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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	0	204.4	204.4	204.4	204.4	204.4
TRAVEL	0	8.0	8.0	8.0	8.0	8.0
CONTRACTUAL	0	15.0	15.0	15.0	15.0	15.0
SUPPLIES	0	5.0	5.0	5.0	5.0	5.0
EQUIPMENT						
LAND & STRUCTURES						
GRANTS. CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	232.4	232.4	232.4	232.4	232.4

CAPITAL	0	0	0	0	0	0
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REVENUE	0	0	0	0	0	0
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FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0	232.4	232.4	232.4	232.4	232.4

POSITIONS:

FULL-TIME	0	3	3	3	3	3
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year impact: no impact on current year

ANALYSIS: (Attach a separate page if necessary.) These estimates are based on an assumed workload that requires an economist and two additional biologists to assess both the qualitative and quantitative aspects of socio-economic analyses.

Prepared By: Frank Rue, Director Phone: 465-4105

Division: Habitat Date: 2/25/91

Approved by Commissioner: *Don Amerill*

Agency: Department of Fish Changes in CSB08 (RES) Date: 3/27/91

Distribution (by preparer): Legislative reflect NO FISCAL CHANGE from the original d. & Impacted Agency(ies).

Rev 10/90

4/5/91 PT
date Comte Aide (Initial)