

HB

438

FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. HB438

Revision Date: Original Dept Affected Natural Resources
 Title: An act relating to the indexing of documents BRU: Management and Administration
 recorded in the state recorder's offices; and providing for an... Component: Information Resource Management
 Sponsor: Representative Brice
 Requestor: (H) STA Component Serial No. 427

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY97	FY98	FY99	FY00	FY01	FY02
PERSONAL SERVICES	70.0					
TRAVEL						
CONTRACTUAL	20.0	10.0	10.0	10.0	10.0	10.0
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	90.0	10.0	10.0	10.0	10.0	10.0

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts	90.0	10.0	10.0	10.0	10.0	10.0
1006 GF/MHTIA						
Other						
TOTAL	90.0	10.0	10.0	10.0	10.0	10.0

Estimate of any current year (FY96) cost: \$ none

POSITIONS

FULL-TIME	1	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

HB438 amends AS40.17.040(a) requiring the department to maintain an index system that is designed for the public to find documents by location. Although the Recorder's Office has been maintaining a courtesy location index since 1972, the current system is not designed to effectively find documents by geographic location. In order to meet the requirements of this legislation, the department would develop a public interface to query recorded information by location. The department would convert the existing courtesy location index information into new file structures that support research by a common location key, namely, meridian, township, range and section. This fiscal note covers one full-time analyst/programmer for one year to design and implement the location index with a common geographic key, and covers the Department of Administration chargeback cost for mainframe usage.

AS40.17.040(a) also directs the department to adopt regulations prescribing the manner in which recorded documents shall be indexed. As a result of this legislation, a regulation would need to be adopted clarifying what is meant in.... continued on page 2

Prepared by: Richard McMahon, Chief, Land Records Info. Section Phone: 269-8836
 Division: Support Services Date: 31-Jan-96
 Approved by Commissioner: [Signature] Date: 31-Jan-96
 Agency: Natural Resources

FISCAL NOTE ANALYSIS for HB438 (continued)

11AAC06.040(a)(6), where it requires documents affecting real property to have a legal description complete enough to geographically locate and identify the parcel.

The department recommends all documents affecting real property, except when not required by statute, to specify the geographic location of the affected parcel by meridian, township, range and section. This will then be used as the common key for the location index mandated in this legislation.

For the purposes of this fiscal note, it is assumed that only the digital information in the existing system will be converted to the new file structure. Documents with location information that was never loaded into the Recorder's Office System, or that was incomplete, is not addressed in this fiscal note, and will not be accessible through the geographic location index.

All transactions affecting real property are tied in some manner to a geographic location. The public now spends hundreds of hours researching the Recorder's Office records for this information through an incomplete and inaccurate courtesy location index or by grantor/grantee if they happen to know the names of the parties involved in the transaction. All development of Alaska's resource depend on knowing the ownership and encumbrances on the land. This information is inextricably linked to the recorded documents. By mandating a location index while the state is in its relative infancy, Alaska can build a recording system that truly meets the needs of its citizens in the 21st century.

FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. HB438

Revision Date: 21-Mar-96 Dept Affected Natural Resources
 Title: An act relating to the indexing of documents BRU: Management and Administration
recorded in the state recorder's offices; and providing for ... Component: Recorder's Office/UCC
 Sponsor: Representative(s) Brice, Kelly, James
 Requestor: House Resources Component Serial No. 802

(Thousands of Dollars)

Expenditures/Revenues	FY97	FY98	FY99	FY00	FY01	FY02
OPERATING EXPENDITURES						
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0

(Thousands of Dollars)

FUND SOURCE	FY97	FY98	FY99	FY00	FY01	FY02
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF/MHTIA						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY96) cost: \$ 0.0

POSITIONS

	FY97	FY98	FY99	FY00	FY01	FY02
FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

HB438 simply adds three words to A.S. 40.17.040(a) to require that the recording system provide a location index in addition to the presently mandated grantor/grantee index. The recording system has in the past tried to maintain a location index as a courtesy for the public, but it has been replete with informational gaps and omissions of data. Since its implementation in 1972, approx., as a courtesy index, more than a third of all research activity by the public is connected with location research. The viability and usefulness of such an index in the future depends on its completeness, which in turn can only be assured if it is a mandatory, rather than discretionary, function. The ability of the component to consistently complete a location index, if mandated, is directly linked to fluctuating incoming workload, which is beyond its ability to control. Beginning in 1994, as the high refinance activity tapered off, and recording volumes declined, the recording system undertook efforts to make the courtesy index more complete by indexing all legal descriptions provided on recorded documents. With the level of recording volume existing at that time, and with the current recording volume, the recording system staff can and do maintain the location index in addition to all of their required ...continued on following page...

Prepared by: Sharon Young, State Recorder Phone: 269-8882
 Division: Support Services Date: 21-Mar-96
 Approved by Commissioner: [Signature] Date: 21-Mar-96
 Agency: Natural Resources

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FISCAL NOTE ANALYSIS (Continued)

functions. As recording volume growth occurs, staff must spend more time on required functions and may not be able to keep the discretionary index current without additional personal services funding. For purposes of this fiscal note, it is assumed that the recording volumes will remain at or near FY95 and FY96 levels, in which case no additional staffing would be required to maintain the location index. If the workload increases the Recorder's Office will approach LB&A for additional staffing and program receipt authorization. Further, this fiscal note assumes that the location indexing would be prospective only. Costs for researching and adding location information to the historic database to fill the thousands of informational gaps were not taken into account as HB438 appears to only address a new and not retroactive requirement. Passage of this bill would have no adverse impact on the state's economy, on local governments, or on any user group. However, continuing to maintain the location index as a discretionary courtesy index could impact various user groups who rely on location indexing to be accurate and complete. Legislatively requiring a location index in addition to the current grantor/grantee index will ensure that all index information will be available in a consistent and complete format for the tens of thousands of Alaskans who use this information each year.

FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. HB438

Revision Date: _____ Dept Affected Natural Resources
 Title: "An act relating to the indexing of documents BRU: Management and Administration
in the state recorder's office" Component: Recorder's Office/UCC
 Sponsor: Rep. Brice
 Requestor: _____ Component Serial No. 802

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY97	FY98	FY99	FY00	FY01	FY02
PERSONAL SERVICES	0.0	77.5	81.3	85.4	89.7	94.2
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	77.5	81.3	85.4	89.7	94.2
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGES IN REVENUES (1005)	0.0	77.5	81.3	85.4	89.7	94.2

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts	0.0	77.5	81.3	85.4	89.7	94.2
1006 GF/MHTIA						
Other						
TOTAL	0.0	77.5	81.3	85.4	89.7	94.2

Estimate of any current year (FY96) cost: \$ 0.0

POSITIONS

FULL-TIME	0	1	2	2	2	2
PART-TIME	0	1	0	0	1	1
TEMPORARY	0	0	0	0	0	0

ANALYSIS:

(Attach a separate page if necessary)

HB438 simply adds three works to A.S. 40.17.040(a) to require that the recording system provide a location index in addition to the presently mandated grantor/grantee index. The recording system has in the past tried to maintain a location index as a courtesy for the public, but it has been replete with informational gaps and omissions of data. Since its implementation in 1972, approx., as a courtesy index, more than a third of all research activity by the public is connected with location research. The viability and usefulness of such an index in the future depends on its completeness, which in turn can only be assured if it is a mandatory, rather than discretionary, function. The ability of the component to consistently complete a location index, if mandated, is directly linked to fluctuating incoming workload, which is beyond its ability to control. Beginning in 1984, as the high refinance activity tapered off, and recording volumes declined, the recording system undertook efforts to make the courtesy index more complete by indexing all legal descriptions provided on recorded documents. With the level of recording volume existing at that time, and with the current recording volume, the recording system staff can and do maintain the location index in addition to all of their required

Prepared by: Sharon Young, State Recorder Phone: 269-8882
 Division: Support Services Date: 26-Jan-96
 Approved by Commissioner: [Signature] Date: 1/29/96
 Agency: Natural Resources

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FISCAL NOTE ANALYSIS (Continued)

functions. As recording volume growth occurs, staff must spend more time on required functions and may not be able to keep the discretionary index current without additional personal services funding. For purposes of this fiscal note, it is assumed that the FY97 recording volumes will remain at or near FY95 and FY96 levels, in which case no additional staffing would be required to maintain the location index. Assuming a five percent annual recording volume increase thereafter, additional personal services staffing would be proportionately required in fiscal years FY98 through FY02. The anticipated expenditures for FY98 through FY02 are estimates only, and recording volumes above or below the five percent assumptions would correspondingly affect staffing requirements. The component is fully funded by program receipts, and the assumed rate of recording volume growth would generate the increased program receipts necessary to fund the increased personal services required in future years. Passage of this bill would have no adverse impact on the state's economy, on local governments, or on any user group. However, continuing to maintain the location index as a discretionary courtesy index could impact various user groups who rely on location indexing to be accurate and complete. Legislatively requiring a location index in addition to the current grantor/grantee index will ensure that all index information will be available in a consistent and complete format for the tens of thousands of Alaskans who use this information each year.



STATE OF ALASKA

THE ALASKA STATE LEGISLATURE

House of Representatives

Representative Jeannette James

Chair of House State Affairs Committee

Capitol Building

Juneau, AK 99801-2197

(907) 465-3743 ph

(907) 465-2381 fax

MEMO

March 12, 1996

To: House Clerk

From: House State Affairs Committee, Rep
Jeannette James Chair

Re: HB 438 Recording documents

The House State Affairs Committee included the following statement in the motion to move the bill.
"We question the validity of the fiscal notes from DNR"

PLEASE LEAVE IN COMMITTEE FILE.

EXPLANATION OF NEED FOR LOCATION INDEX IN RECORDER'S SYSTEM

The law, AS 40.17.040 presently requires that only grantor and grantee indices be maintained. When the state abandoned the maintenance of recorded instruments by type in the 1970's, the ability to do research by location was severely impaired. As a consequence the Division of Mining and Water Management began keeping mining location notices and affidavits of labor by location through a manually posted Kardex system.

The Division of Mining and Water Management now insists that the approximate \$30,000 annual cost of maintaining the Kardex system for mining records is too high and seeks to abandon the Kardex records. The mining community has relied on those records to insure that locations, prospecting sites and other mining activities on lands can be researched without error.

A group of concerned miners and others in Fairbanks who rely on the integrity of the Kardex system believe that the statute needs to be changed so that the contract the State Recorder has for electronic recording of data can be amended to include a sort by location. This will make the same information available in the future statewide that the state presently preserves manually in Fairbanks.

The state is moving rapidly to complete its geographical information system (GIS) for its lands records. Most, if not all, Native regional and village corporations have adopted a GIS lands management records system. Several of the boroughs have adopted a GIS for their assessment and lands records. Development of geographically based information through the State Recorder's Office will enhance the state's ability to complete its GIS lands management system, will allow the state's records to mesh with Native corporation and borough lands, and will preserve the ability of the mining community and other interested parties to research title and activity on lands by location.

The grantor and grantee indices for mining records is not sufficient. In order to maintain state and federal claims, location notices must be filed and annual affidavits filed. This makes mining records much more difficult to research than the ordinary property transactions. Inclusion of the requirement for maintenance of a location index will preserve the type of necessary historical information relating to mining claims and will not add appreciably to the cost of the recording system.

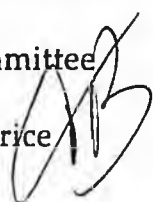
Representative Tom Brice
ALASKA STATE LEGISLATURE

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Fairbanks, AK 99701
907-456-7423 / Fax: 451-9293
While in Juneau
State Capitol
Juneau, AK 99801-1182
907-465-3466

M E M O R A N D U M

To: Representative Joe Green -- Co-Chair
Representative Bill Williams -- Co-Chair

House Resources Committee

From: Representative Tom Brice 

Date: March 15, 1996

Re: HB 438: An Act relating to the indexing of documents recorded in the state recorder's offices; and providing for an effective date.

I would appreciate your scheduling HB 438 to be heard before the Resources Committee at your earliest convenience

HB 438, mandates a geographic location indexing method within the the State Recorder's Office. The result will be the continuation of an effective cataloguing system of lands in the state, and future possibilities of cross referencing that information with the resources, leases, and claims information in other data bases.

The Recorder's office now provides the indexing service as a courtesy. A geography based information system would tie grantor and grantee indices, both required by statute, to a map. This will ensure continuing cross referencing between name indexes, and developing future resource indexes and satellite and aerial geophysical mapping data bases. This capability is important enough that it should be continued as an integral aspect of the state's recording system.

Under the current work load, the Recorder's Office does not anticipate a significant fiscal impact. Land is an important asset in our state, and providing the data for an eventually up-to-date, integrated system for recording and retrieving resource, ownership, and location data is in everyone's best interest.

Thank you for your consideration.



Representative Tom Brice

ALASKA STATE LEGISLATURE

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While in Juneau
State Capitol
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Representative Tom Brice
HB 438 Sponsor Statement

HB 438, mandates a geographic location indexing method within the the State Recorder's Office. The result will be the continuation of an effective cataloguing system of lands in the state, and future possibilities of cross referencing that information with the resources, leases, and claims information in other data bases. The Recorder's office now provides the location indexing service as a courtesy.

A geography based information system would tie grantor and grantee indices, both required by statute, to a map. The only single source of all documents regarding a property is found in a manual cardex system maintained in Fairbanks. The name indexes and the developing resource indexes are computerized. It should be noted that no indexing system replaces the documents it tracks; it merely locates them. This capability is important enough that it should be continued as an integral aspect of the state's recording system.

The need and demand for a geography based index exists now. Public demand for this information is equal to or greater than that of the other two indices. The three indices, grantor, grantee, and location, are coequal in their importance and usefulness. The information that can be derived from such a three pronged indexing system will prove useful on an ongoing basis as land is classified, selected, transferred, and developed in Alaska. Under the current work load, the Recorder's Office does not anticipate a significant fiscal impact, in that the expenses are offset by program receipts. The members of the mining industry have stated its willingness to support the location index through a reasonable fee structure for recorded documents.

Land is an important asset in our state, and providing the data for an eventually up-to-date, integrated system for recording and retrieving resource, ownership, and location data is in the State of Alaska's best interest.





FAX TRANSMITTAL

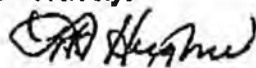
TO: Tom Brice
ORG.: Alaska State Legislature
CITY: Juneau, AK

DATE: 3/7/96
NO.: 465-2294

MESSAGE

This fax is sent in support of House Bill 438 "An Act relating to the indexing of documents recorded in the state recorder's offices; and providing for an effective date." A records indexing system is very important in performing land status research for mining project purposes.

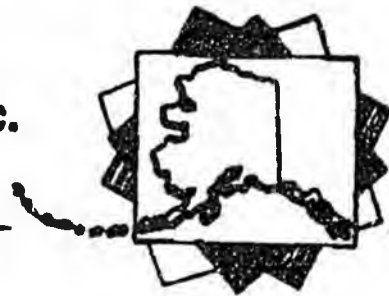
I note that the current Kardex system employed by the DOM in Fairbanks has not been kept current. This system should be upgraded until the indexing system is in place and working effectively.


FROM: R. A. Hughes

2173 UNIVERSITY AVE. S., #101
FAIRBANKS, AK 99709

David S. Manzer
President
3381 Tudor Top Circle
Anchorage, Alaska 99507-1031
(907) 563-8882
FAX 363-8880

Alaska Land Status, Inc.



February 1, 1996

Representative Tom Brice
State Capitol
Juneau, AK 99801-1182
Fax: 465-2294

Via Telefax

Re: HB 438 & HB 439

Dear Representative Brice:

I am Co-Chairman of the State Oversight Committee of the Alaska Miner's Association. Our committee met today and discussed HB 438 and HB 439 which you sponsor. We support both bills as currently drafted.

Thank you for your support of the mining industry. If you have any questions regarding our discussion of these bills please call me or Steve Borell, our Executive Director.

Sincerely,

A handwritten signature in cursive script that reads "David S. Manzer". The signature is written in black ink and is positioned below the word "Sincerely,".

David S. Manzer

cc: Steve Borell
Rich Hughes
Bob Stiles

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March 7, 1996

Rep. Jeannette James
Chair
House State Affairs Committee
Room 102, Capitol
Juneau, Alaska 99801-1182

Re: House Bill 438

Dear Jeannette:

House Bill 438, now pending in the House State Affairs Committee would require the State Recorder to maintain a location index in addition to grantor and grantee indices for property records. This bill is very important for miners because it would create an electronic index of vital information concerning mining claims that has been maintained manually by the Division of Mining and Water Management of the Department of Natural Resources. Historic records relating to mining claims is always important, but they are even more important now because of the success of the airborne geophysical mapping program conducted by DGGs.

The 1996 FY budget failed to fund the manually maintained program and, regrettably, made no alternative method of sustaining this information base. Over the summer and fall of 1995, a group of about 30 miners, representatives of the Division of Lands, DMWM and other interested persons met to develop a program that would tie into the state's land status mapping program as well as maintain ready access to the information relating to mining claims that the mining industry requires. The first step in developing a modern records and data acquisition program that Alaska needs is to require maintenance of a location index through the Recorders' Offices.

Rep. Jeannette James
Page 2
March 7, 1996

This program would, in effect, pay for itself. I understand that the State Recorder has submitted a fiscal note that indicates that if the volume of recording remains the same, no additional costs will be incurred. If recordations increase, additional staff will be required. The additional staff would be required in any event and, since the Recorders' Offices not only pay for themselves, but return to the general fund about half of their receipts, there would be no increase in the deficit by adding this service.

One additional benefit would accrue to Alaskans. The manually maintained record of mining claims is available only in Fairbanks. If the State Recorder is required to establish a location index, essential property information will be available electronically readily throughout the state and to anyone else who can reach the data base maintained for the State Recorder by the Motznick system.

I urge that the bill be heard and that you support it vigorously. It is a good bill that will mean long-term benefits to the people of Alaska.

Sincerely,



Mary A. Nordale
Of Counsel

cc: Rep. Tom Brice
Earl H. Beistline
Steve Borrell
Paul Richards