

SB

283

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 3/30/00

FURTHER: REPORTED OUT OF SFC 4/2/00

DATE TURNED IN TO OFFICE: 4-13-00

Finance Committee considered SENATE BILL NO. 283

"An Act relating to the accounting for and appropriations of state land disposal program revenue; and providing for an effective date."

and recommends:

- be replaced with _____ CS _____ (_____)
- adopt previous _____ CS SB 283 (RES)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to the _____ Committee

- Senate Bill:
- same title
 - new title
- House Bill:
- same title
 - technical title
 - new: SCR" _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>[Signature]</i>	✓	<i>[Signature]</i>	✓		
<i>[Signature]</i>	X	<i>[Signature]</i>	✓		
<i>[Signature]</i>	✓	<i>[Signature]</i>	✓		
Co-Chair: <i>[Signature]</i>	✓	Co-Chair:			
Co-Chair: <i>[Signature]</i>	✓	Co-Chair:			

NEW FISCAL NOTE(S):

Department	Date	Zero	Fiscal

PREVIOUS FISCAL NOTE(S):*

Department	Date	Zero	Fiscal
DNR - Minerals	3/30/00		200. #3
DNR - Land & Water	3/30/00		1,014.3 #2

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

REPORTED OUT OF
SFC 4/2/00

FISCAL NOTE

STATE OF ALASKA
2000 LEGISLATIVE SESSION

No. 3
Bill Version: CSSB 283 (RES)
(S) Publish Date: 3-31-00

Revision Date/Tim 30-Mar-00 Dept Affected: Natural Resources
Title: An Act establishing the shore fisheries BRU: Minerals, Land & Water Development
development lease program account...revenue...land disposal... Component: Claims, Permits and Leases
Sponsor: S Rules
Requestor: SRES Component No #2460

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

OPERATING EXPENDITURES	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006
PERSONAL SERVICES	161.0	161.0	161.0	161.0	161.0	161.0
TRAVEL	22.0	22.0	22.0	22.0	22.0	22.0
CONTRACTUAL	17.0	17.0	17.0	17.0	17.0	17.0
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS & CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	200.0	200.0	200.0	200.0	200.0	200.0
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGE IN REVENUES (fund code)	0.0	0.0	0.0	0.0	0.0	- 0.0

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)
1037 GF/Mental Health						
1108 SDPR	300.0	300.0	300.0	300.0	300.0	300.0
TOTAL	200.0	200.0	200.0	200.0	200.0	200.0

Estimate of any current year (FY2000) cost: \$ n/a

POSITIONS

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

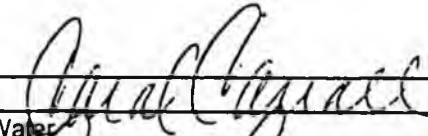
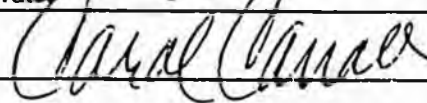
ANALYSIS:

(Attach a separate page if necessary)

This fiscal note shows that in FY2001 there is a fund source switch of \$100.0 GFPR to Statutory Designated Program Receipts, and a restoration of funding in the amount of \$200.0 SDPR. The out-years reflect that the one-time fund source switch remains in effect -- there are not additional switches.

This bill restores funding for the existing shore fisheries leasing program by converting it to statutory designated program receipts. It has previously been sourced as general fund, program receipts. In the department's FY 2000 budget, funding for the program was cut to a third of its previous level. In response to this reduction, DNR proposed a

[Cont.]

Prepared by: Bob Loeffler  Phone: 269-8625
Division: Mining, Land and Water Date: 30-Mar-00
Approved by Commissioner: John Shively  Date: 30-Mar-00
Agency: Natural Resources

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Continuation of fiscal note:

self-executing registration system for commercial set net fishing sites that the department could oversee within the amount budgeted. However, commercial setnetters objected that the proposed replacement system would not give them the same security of tenure as a shore fisheries lease. It would also have eliminated DNR's role in resolving conflicts between applicants competing for the same fishing site, leaving them to settle the issue by arbitration or in court. Finally, it would no longer have required a survey plat or shore fishery lease diagram, leading to more boundary disputes.

Funding that would be restored under this bill would provide a Natural Resource Officer II (Range 16) to adjudicate leases, a Surveyor I to review shore fishery lease diagrams, and a Natural Resource Technician II (Range 12) to research land status, do data entry, and handle routine lease administration. It would also provide travel and contractual funds for on-site inspections of disputed sites. The existing lease program brings in approximately \$360.0 a year, and is expected to continue to generate that level of revenue.

FISCAL NOTE

REPORTED OUT OF
SFC 4/12/00

STATE OF ALASKA
2000 LEGISLATIVE SESSION

No. 2
Bill Version: CSSB 283 (RES)
(S) Publish Date: 3-31-00

Revision Date/Time: 30-Mar-00 Dept Affected: Natural Resources
Title: An Act establishing the shore fisheries BRU: Minerals, Land & Water Development
development lease program account ... revenue... land disposal... Component: Land Sales and Municipal Entitlements
Sponsor: S Rules
Requestor: SRES Component No. #2459

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

OPERATING EXPENDITURES	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006
PERSONAL SERVICES	525.9	530.0	500.0	460.0	460.0	450.0
TRAVEL	15.0	15.0	15.0	15.0	15.0	15.0
CONTRACTUAL	460.4	636.4	467.4	459.4	459.4	459.4
SUPPLIES	8.0	5.0	5.0	5.0	5.0	5.0
EQUIPMENT	5.0	5.0	5.0	5.0	5.0	5.0
LAND & STRUCTURES						
GRANTS & CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	1,014.3	1,191.4	992.4	944.4	944.4	944.4

CAPITAL EXPENDITURES	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006
CHANGE IN REVENUES	2,300.0	2,783.0	3,411.0	3,481.0	3,781.0	3,981.0

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	(789.6)	(789.6)	(789.6)	(789.6)	(789.6)	(789.6)
1061 CIP Receipts		(70.9)	(70.9)	(70.9)	(70.9)	(70.9)
1108 Statutory Designated PR	(363.1)	(363.1)	(363.1)	(363.1)	(363.1)	(363.1)
Other (Land Disp. Income Fund)	2,167.0	2,415.0	2,216.0	2,168.0	2,168.0	2,168.0
TOTAL	1,014.3	1,191.4	992.4	944.4	944.4	944.4

Estimate of any current year (FY2000) cost: \$ N/A

POSITIONS

FULL-TIME	8	9	9	8	8	8
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS:

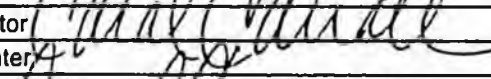
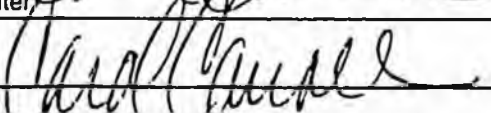
(Attach a separate page if necessary)

Note: The fiscal note is designed to show the fund source switches which will be done once, and the annual net increased cost to implement this legislation. For example, in FY2001 there is a fund source switch of \$789.6 GF and \$363.1 SDPR to the Land Disposal Income Fund, and an additional \$1,014.3 of Land Disposal Income Fund. The out-years on the fiscal note reflect that the one-time fund source switches remain in effect -- they are not additional fund source switches.

Costs. This fiscal note includes three cost items:

1. The Land Sales and Municipal Entitlement component from the proposed FY 01 operating budget. It includes the \$1,152.7K that would be deleted from general fund and existing SDPR sources and transferred to the new land disposal income fund, plus \$150K for land title costs. In year FY 02, an additional \$70.9 in CIP funds is deleted.

(Continued on next page)

Prepared by: Bob Loeffler, Director  Phone: 269-8625
Division: Mining, Land & Water Date: 30-Mar-00
Approved by Commissioner: John Shively  Date: 30-Mar-00
Agency: Natural Resources

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2. A new land disposal program that includes offering 55,500 acres for sale in FY 02 and 03. This offering would cost \$2,271K spread over FY 01, 02 and 03. It would include:

- Comprehensive Re-Offering of 50,000 acres (5,000 parcels) of existing subdivision lots (these are re-offerings of parcels not previously sold, sold but foreclosed upon, etc.);
- Remote offerings of 5,000 acres (500 parcels) offered under the remote recreation cabin site program (these offerings begin as leases, then convert to sales when surveyed); and
- New Subdivisions of 500 acres (100 parcels) of new subdivisions.

3. Continued Land Disposal in FY 04, 05, 06, and preparing for future years. To maintain a stable land disposal program, it will be necessary to continue offering lots to replace the remote offerings and subdivision lots sold in FY 02 and 03. These costs begin in FY 02 and continue throughout the fiscal note period, stabilizing at about \$794K annually.

Revenues. The "Change in Revenues" in this fiscal note combines three sources of revenue:

1. Revenues from past sales. The state expects to receive approximately \$1,600K each year of the fiscal note from sales made in past years.
2. Revenues from the first 55,000 acres offered. Revenues from sale of the first 55,000 acres begin in FY 02 and continue through the fiscal note.
3. Revenues from future land disposals in FY 04, 05, and 06. Taken together, these three sources of revenue over the six-year period are expected to total over \$18.8 million, but fluctuate somewhat from year to year.

Additional details (cost and revenue projections) are shown in the table on the next page. The table shows that in the first year, the costs barely cover the revenues, but that the revenues grow every year thereafter. By FY 2006, the land disposal income fund includes a balance of more than \$5 million and the excess, beginning with that year's surplus of \$535K, is transferred to the general fund by operation of law under SB 283.

The number of new positions in the program would be either 8 or 9, of which 3 are needed for land title work.

(Continued on next page)

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	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
COSTS						
Existing Cost of Component (See P. 1)	\$ 1,303	\$ 1,374	\$ 1,374	\$ 1,374	\$ 1,374	\$ 1,374
Additional \$2,271 to fund first 55,000 acres to be offered in FY 02 and 03, and continued funding for sales thereafter:						
Comprehensive Re-offe	\$ 275	\$ 323	\$ 48	-	-	-
Remot	\$ 418	\$ 418	\$ 418	\$ 418	\$ 418	\$ 418
Subdivision	\$ 100	\$ 300	\$ 376	\$ 376	\$ 376	\$ 376
Total Cost:	\$ 2,096	\$ 2,415	\$ 2,216	\$ 2,168	\$ 2,168	\$ 2,168
REVENUES						
Revenues from Past Sales	\$ 1,600	\$ 1,600	\$ 1,600	\$ 1,600	\$ 1,600	\$ 1,600
Revenues from Planned FY 01 Sales	\$ 700	\$ 433	\$ 466	\$ 366	\$ 366	\$ 366
Revenues from FY 02 and Future Sales		\$ 750	\$ 1,245	\$ 1,315	\$ 1,515	\$ 1,715
Total Revenue:	\$ 2,300	\$ 2,783	\$ 3,311	\$ 3,281	\$ 3,481	\$ 3,681
FUND BALANCE						
Balance of Land Disposal Income Fund at year's end:	\$ 204	\$ 572	\$ 1,667	\$ 2,780	\$ 4,093	\$ 5,606
Amount Spilled Over to the General Fund	-	-	-	-	-	\$ 606

SENATE FINANCE COMMITTEE

SIGN-IN

SB 283-STATE LAND DISPOSAL REVENUE

NAME: Bob Laeffler Subject/Bill No: 283
Co./Dept./Title: DNR, Division of Mining Land & Water Phone: 269-8600
Address: 550 W 7th Anchorage, AK Zip: 99501

Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____
Co./Dept./Title: _____ Phone: _____
Address: _____ Zip: _____

Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____
Co./Dept./Title: _____ Phone: _____
Address: _____ Zip: _____

Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____
Co./Dept./Title: _____ Phone: _____
Address: _____ Zip: _____

Do you wish to testify? Yes No Respond To Questions



Teleconference Participants

TCN: 10753

Participant Lists

View List for

Participants

Unidentified Testifiers: Unidentified Observers:

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1 ✓ Name: Mr. Dan Chalup Phone: 235-2210
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 City /St /Zip: Homer AK 99603 Type: Testifier
 Bill: SB 283: STATE LAND DISPOSAL REVENUE

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 Bill: SB 283: STATE LAND DISPOSAL REVENUE

2 ✓ Name: Ms. Sandy Umlaut Phone:
 Address: Affiliation:
 City /St /Zip: Type: Testifier
 Bill: SB 283: STATE LAND DISPOSAL REVENUE

3 ✓ Name: Mr. Paul Shadura Phone:
 Address: Affiliation: self
 City /St /Zip: Type: Testifier
 Bill: SB 283: STATE LAND DISPOSAL REVENUE

4 ✓ Name: Mr. Patrick Hickey Phone:
 Address: Affiliation: KPBSD
 City /St /Zip: Type: Testifier
 Bill: SB 290: PUPIL TRANSPORTATION COST REIMBURSEMENT

KODIAK (KOD)

1 ✓ Name: Mr. Dave Jones Phone:
 Address: Affiliation:
 City /St /Zip: Type: Testifier
 Bill: SB 290: PUPIL TRANSPORTATION COST REIMBURSEMENT

PETERSBURG (PSG)

1 ✓ Name: Mrs. Elizabeth Bacom Phone: 772-3090
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 Bill: SB 290: PUPIL TRANSPORTATION COST REIMBURSEMENT