

SB

142

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 4/14/03

REPORTED DATE
APR 30 2003
SENATE FINANCE
COMMITTEE
SENATE BILL NO. 142

FURTHER:

DATE TURNED
IN TO OFFICE: 4/30/03

Finance Committee considered

SB 142 DNR LEAD RESOURCE DEVELOPMENT PROJECTS

"An Act designating the Department of Natural Resources as lead agency for resource development projects; making conforming amendments; and providing for an effective date."

and recommends:

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

Senate Bill:

- same title
- new title

House Bill:

- same title
- technical title
- new: SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#
DEC	3/31/03		✓	2
DNR	3/11/03	✓		1

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
<i>John L. Taylor</i>	✓			
<i>James C. ...</i>			✓	
<i>Ben ...</i>	✓			
<i>Ben ...</i>	✓			
COCHAIR: <i>Lyle ...</i>	✓			
COCHAIR: <i>...</i>	✓			

FISCAL NOTE

REPORTED OUT
APR 30 2003
SENATE FINANCE
COMMITTEE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: SB 142
(S) Publish Date: 3/12/03

Revision Date/Time (Note if correction): _____ Dept. Affected: Natural Resources
Title: Designating Dept. of Natural Resources as BRU: Resource Development
lead agency for resource development projects Component: Development Special Projects
Sponsor: Rules
Requester: Governor Component No.: 2039

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Personal Services						
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						
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CHANGE IN REVENUES ()						
------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2003) cost: 362

Check this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: *(Attach a separate page if necessary)*
Funding for this legislation is included in the FY04 Governor's operating budget request. Under this legislation, DNR will establish an Office of Project Management and Permitting. This office will lead and coordinate all matters relating to the state's review and authorization of resource development projects. The purpose of the office is to facilitate and expedite resource development of large projects by coordinating and streamlining the permitting activities of all state agencies with authority over a project. To accomplish this DNR is requesting funding to establish the office and develop the program base for an on-going program. DNR is requesting five positions that will serve as project managers and coordinators.

Prepared by: Dick LeFebvre, Deputy Commissioner Phone: 269-8427
Division: Commissioner's Office Date/Time: 3/11/2003
Approved by: Tom Irwin, Commissioner Date: 3/11/2003
Agency: Natural Resources

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

BILL NO. SB 142 FN #1

ANALYSIS CONTINUATION

These positions will be responsible for negotiating agreements and managing the overall state project review and permitting activities of all agencies with jurisdiction over a project. These positions will work with other state and federal agencies and local government to facilitate review and permitting.

Funding for the remainder of FY03 (May and June) is requested in the amount of \$36.2. This allows DNR to establish two of the requested positions to get the office started and begin the effort of streamlining the permitting process. Position costs are estimated at \$7.8/month per position for a total of \$31.2. Additional start up costs for space and computers are estimated at \$5.0.

FISCAL NOTE

REPORTED OUT

APR 30 2003

SENATE FINANCE
2 COMMITTEE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: SB 142
(S) Publish Date: 4/14/03

Revision Date/Time (Note if correction): _____ Dept. Affected: DEC
Title DNR lead for Resource Development Projects BRU Administrative Services
Sponsor Rules Component Office of the Commissioner
Requester Senate Resources Component No. 633

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Personal Services						
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						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

FUND SOURCE	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2003) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

POSITIONS

POSITIONS	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill will have no fiscal impact on the department.

Prepared by: Mary Siroky, Legislative Liaison
Division: Statewide Public Services
Approved by: Kurt Fredriksson, Deputy Commissioner
Agency: Department of Environmental Conservation

Phone: 465-5355
Date/Time: 3/31/03 11:28 AM
Date: 3/31/2003

Amendment #1

SENATE FINANCE COMMITTEE
4/130/2003 COMMITTEE ACTION

Bill Number	SB 142		
Amendment	#1		
Motion	Amend		
Motion by	Olson		
Objection by	Wilken!		
Removed			
Second Objection by			
<u>Committee Member</u>	<u>Y</u>	<u>Vote</u>	<u>N</u>
Senator Bunde			✓
Senator Hoffman	✓		
Senator Olson	✓		
Senator Stevens			✓
Senator Taylor			✓
Co-Chair Green			✓
Co-Chair Wilken			✓
<u>Tally</u>			
Yea	2		
Nay	5		
Absent			
<u>MOTION</u>	FAILS		

Conceptual Amendment:

SENATE FINANCE COMMITTEE
 / / 2003 COMMITTEE ACTION

Bill Number	SB 142		
Amendment	Adopt Version A		
Motion	Bunde		
<u>Motion by</u>			
<u>Objection by</u>			
<u>Removed</u>			
<u>Second Objection by</u>			
<u>Committee Member</u>	Y	<u>Vote</u>	N
Senator Hoffman			
Senator Olson			
Senator Stevens			
Senator Taylor			
Senator Bunde			
Co-Chair Green			
Co-Chair Wilken			
<u>Tally</u>			
Yea			
Nay			
Absent			
<u>MOTION</u>			

No objections

STATE OF ALASKA

FRANK H. MURKOWSKI, GOVERNOR

DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

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JUNEAU, ALASKA 99801-1796
PHONE: (907) 465-2400
FAX: (907) 465-3886

550 WEST 7TH AVENUE, SUITE 1400
ANCHORAGE, ALASKA 99501-3650
PHONE: (907) 269-8431
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April 15, 2003

The Honorable Lyda Green
Co-Chair, Senate Finance Committee
Alaska State Legislature
State Capitol, Room 516
Juneau, AK 99801

The Honorable Gary Wilken
Co-Chair, Senate Finance Committee
Alaska State Legislature
State Capitol, Room 518
Juneau, AK 99801

Dear Senators Green and Wilken:

I am writing to request a hearing as soon as possible for SB 142, the Department of Natural Resources (DNR) Lead Agency bill. The purpose of this bill is to facilitate and expedite resource development in Alaska. In recent years, the laws governing resource development have proliferated, and there are now more agencies than ever with permitting authority over large projects. Resource development should not be held up by the sheer complexity of government. This bill is intended to alleviate that problem. The bill amends AS 38.05.020(b) to specifically allow DNR to lead and coordinate resource development projects.

DNR presently has statutory authority as lead agency for mining projects. This bill would authorize DNR to lead and coordinate the permitting activities of all agencies with jurisdiction over the project and would repeal existing statutes in AS 46.35 regarding permit coordination. The result of DNR's efforts as lead agency will be better communication, more efficient permitting, consolidated public process, and stable funding for the state's permitting process.

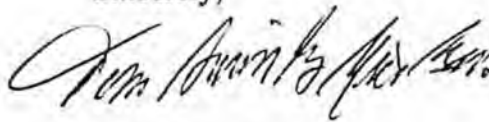
DNR will establish the Office of Project Management and Permitting to carry out its lead responsibilities. This office will lead and coordinate all matters relating to the state's review and authorization of resource development projects. The Governor's Budget contains funding to establish a project team consisting of five people in order to implement the project team concept on a broad basis.

This bill passed out of Senate Resources with four "do-pass" votes and one "no recommendation." For your information, I have enclosed the Governor's Transmittal Letter, a Sectional Analysis of the bill and a brief summary.

"Develop, Conserve, and Enhance Natural Resources for Present and Future Alaskans."

Thank you for your consideration. Please contact Janet Burleson Baxter at (907) 465-4730 if you have any questions. You may also contact Dick LeFebvre, our Deputy Commissioner at (907) 269-8432.

Sincerely,

A handwritten signature in black ink, appearing to read "Tom Irwin". The signature is written in a cursive style with a large, sweeping initial "T".

Thomas E. Irwin
Commissioner

Enclosures

cc: Mike Tibbles, Legislative Liaison, Governor's Office

SB 142/ HB 192

Sectional Analysis

8 April, 2003

Sec. 1 -

This section is simple and self-explanatory.

Sec. 2 & Sec. 3 -

These two sections preserve, rather than change, current law. One of the current statutes to be deleted under Sec. 4, AS 46.35.090, includes this same exemption of ADEC permit decisions from the APA hearing procedures. See AS 46.35.090 (e). Sections 3 and 4 of this bill simply transplant that provision to AS 46.03 and AS 46.04, respectively. Detailed procedures governing ADEC's hearings are set out at 18 AAC 15.195 *et seq.*

Sec. 4 -

This section repeals almost all of the current Environmental Procedures Coordination Act, AS 46.35. Enacted in 1977, that Act gave ADEC the role of coordinating the state's authorization of projects requiring multiple permits from different agencies. However, in practice, the Act has seen little or no use. This bill would repeal that Act to reflect that DNR, rather than DEC, should assume the lead agency role. This section also deletes two other provisions in existing law that reference AS 46.35.

Provided by the Department of Natural Resources

Department of Natural Resources
SB 142/HB192, DNR Lead Agency for resource development projects
April 8, 2003

The purpose of the bill is to better facilitate and expedite resource development in Alaska. In recent years, the laws governing resource development have proliferated, and there are more agencies than ever with permitting authority over large resource development projects. Resource development should not be held up by the sheer complexity of government. This bill is intended to alleviate that problem.

The Department of Natural Resources (DNR) presently has statutory authority as lead agency for mining projects. The bill authorizes DNR to lead and coordinate the permitting activities of all agencies with jurisdiction over all resource development projects and repeals existing statutes in AS 46.35 regarding permit coordination.

DNR will establish the Office of Project Management and Permitting to carry out its lead responsibilities. This office will lead and coordinate all matters relating to the state's review and authorization of resource development projects. The purpose of the office is to facilitate and expedite resource development of large projects by coordinating and streamlining the permitting activities of all state agencies with authority over a project. The results of the DNR's efforts as lead agency will be better communication, better coordination among departments, more efficient permitting, consolidated public process, and stable funding for the state's permitting process.

The repeal of the AS 46.35 provision necessitates the relocation of unrelated language specific to the Department of Environmental Conservation permit decision to more appropriate locations in AS 46.03 and AS 46.04 as set out in Sections 2 and 3 of the bill.

Department of Natural Resources
HB192/SB 142, DNR Lead Agency for resource development projects
April 25, 2003

The purpose of the bill is to better facilitate and expedite resource development in Alaska. In recent years, the laws governing resource development have proliferated, and there are more agencies than ever with permitting authority over large resource development projects. Resource development should not be held up by the sheer complexity of government. This bill is intended to alleviate that problem.

The Department of Natural Resources (DNR) presently has statutory authority as lead agency for mining projects. The bill authorizes DNR to lead and coordinate the permitting activities of all agencies with jurisdiction over all resource development projects and repeals existing statutes in AS 46.35 regarding permit coordination.

DNR will establish the Office of Project Management and Permitting to carry out its lead responsibilities. This office will lead and coordinate all matters relating to the state's review and authorization of resource development projects. The purpose of the office is to facilitate and expedite resource development of large projects by coordinating and streamlining the permitting activities of all state agencies with authority over a project. The results of the DNR's efforts as lead agency will be better communication, better coordination among departments, more efficient permitting, consolidated public process, and stable funding for the state's permitting process.

The repeal of the AS 46.35 provision necessitates the relocation of unrelated language specific to the Department of Environmental Conservation permit decision to more appropriate locations in AS 46.03 and AS 46.04 as set out in Sections 2 and 3 of the bill.

CS for SB 142

Sectional Analysis

21 April, 2003

Sec. 1 –

This section allows, but does not require, the commissioner of natural resources to lead and coordinate state review and authorization of resource development projects. The lead agency role made possible by this section does not override the substantive decisionmaking power conferred on other agencies by other statutes, nor does it override procedural requirements established elsewhere.

Sec. 2 –

This section, made effective by sec. 10 only on July 1, 2007, would reenact verbatim present-day AS 41.17.085(a). The reenactment reverses the effect of secs. 7 and 9 of the bill, which repeal AS 41.17.085(a) effective immediately.

Present-day AS 41.17.085(a) is a provision that coordinates the Forest Practices Act with the Environmental Procedures Coordination Act of 1977, a multi-agency permit coordination bill that fell into disuse two or more decades ago.

Sec. 3 –

This section, made effective by sec. 10 only on July 1, 2007, would reenact verbatim present-day AS 46.03.020(11). The reenactment reverses the effect of secs. 7 and 9 of the bill, which repeal AS 46.03.020(11) effective immediately.

Present-day AS 46.03.020(11) is a provision that empowers DEC to implement the Environmental Procedures Coordination Act of 1977, a multi-agency permit coordination bill that fell into disuse two or more decades ago.

Secs. 4 and 5 –

These two sections preserve, rather than change, current law. One of the current statutes to be repealed under sec. 7, AS 46.35.090, includes this same exemption of DEC permit decisions from the APA hearing

procedures. See AS 46.35.090 (e). Sections 3 and 4 of this bill simply transplant that provision to AS 46.03 and AS 46.04, respectively. Detailed procedures governing ADEC's hearings are set out at 18 AAC 15.195 *et seq.*

Sec. 6 –

This section, made effective by sec. 10 only on July 1, 2007, would reenact verbatim the current Environmental Procedures Coordination Act, AS 46.35. The reenactment reverses the effect of secs. 7 and 9 of the bill, which repeal AS 46.03.020(11) effective immediately. Included in the reenactment is the final sentence of present-day AS 46.35090(e), the provision transplanted in secs. 4 and 5.

Enacted in 1977, the Environmental Procedures Coordination Act gave ADEC the role of coordinating the state's authorization of projects requiring multiple permits from different agencies. In practice, the Act has seen little or no use. The list of permits at present-day AS 46.35.200(4), to be reenacted as AS 46.35.201(4) by this section, is somewhat outdated.

Sec. 7 –

This section repeals almost all of the current Environmental Procedures Coordination Act, AS 46.35. Enacted in 1977, that Act gave ADEC the role of coordinating the state's authorization of projects requiring multiple permits from different agencies. In practice, the Act has seen little or no use. This bill would repeal that Act to reflect that DNR, rather than DEC, should assume the lead agency role. This section also deletes two other provisions in existing law that reference AS 46.35, described in secs. 2 and 3 above.

Sec. 8 –

This section, made effective by sec. 10 on July 1, 2007, would repeal the main provision of the bill, the provision making DNR the lead agency for resource development projects. It would also repeal the transplanted provisions regarding DEC appeal procedures, in keeping with the reenactment in sec. 6 of the current version of those provisions.

SENATE COMMITTEE REPORT

First Committee of Referral

DATE: 3/12/03

FURTHER:

Date of 5-Day Notice: 3/27/03
(in accordance with Uniform Rule 23)

DATE TURNED
IN TO OFFICE: 4/14/03

Resources Committee considered SENATE BILL NO. 142

SB 142 DNR LEAD RESOURCE DEVELOPMENT PROJECTS

"An Act designating the Department of Natural Resources as lead agency for resource development projects; making conforming amendments; and providing for an effective date."

and recommends:

- be replaced with _____ CS SB142 (RES)
- adopt previous _____ CS _____
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to _____ Committee

- Senate Bill:**
 same title
 new title
- House Bill:**
 same title
 technical title
 new: SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#
DEC	3/31/03		✓	2

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#
DNR	3/11/03	✓		1

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:		DO PASS	DO NOT PASS	NO REC	AMEND
B. Stevens	<i>Ben Stevens</i>	✓			
Wagoner	<i>Tom Wagoner</i>	✓			
Dyson	<i>Paul Dyson</i>	✓			
Elton	<i>K. Elton</i>			✓	
Ogan	CHAIR: <i>Seth Ogan</i>	✓			

FRANK H. MURKOWSKI
GOVERNOR

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STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

March 11, 2003

The Honorable Gene Therriault
President of the Senate
Alaska State Legislature
State Capitol, Room 107
Juneau, AK 99801-1182

Dear President Therriault:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill designating the Department of Natural Resources (DNR) as the lead state agency in the permitting of resource development projects in this state.

The purpose of this bill is to facilitate and expedite resource development in Alaska. In recent years, the laws governing resource development have proliferated, and there are now more agencies than ever with permitting authority over large projects. Resource development should not be held up by the sheer complexity of government. This bill is intended to alleviate that problem.

This bill would authorize the DNR to lead and coordinate the permitting activities of all agencies with jurisdiction over the project and would repeal existing statutes in AS 46.35 regarding permit coordination. The result of the DNR's efforts as lead agency will be better communication, more efficient permitting, consolidated public process, and stable funding for the state's permitting process.

The repeal of the AS 46.35 provisions necessitates the relocation of unrelated language, specific to Department of Environmental Conservation permit decisions, to more appropriate locations in AS 46.03 and AS 46.04, as set out in secs. 2 and 3 of the bill.

I urge your prompt and favorable action on this measure.

Sincerely,

Handwritten signature of Frank H. Murkowski in black ink.
Frank H. Murkowski
Governor

SENATE FINANCE COMMITTEE

SIGN-IN

SB 142-DNR LEAD RESOURCE DEVELOPMENT PROJECTS

✓ NAME: Commissioner Tom Irlwin Subject/Bill No: _____
Co./Dept./Title: DNR Phone: _____
Address: _____ Zip: _____
Do you wish to testify? Yes No Respond To Questions

NAME: Kurt Fredriksson Subject/Bill No: _____
Co./Dept./Title: Deputy Commission DEC Phone: _____
Address: _____ Zip: _____
Do you wish to testify? Yes No Respond To Questions

NAME: Janet B Baxter Subject/Bill No: _____
Co./Dept./Title: DNR Phone: _____
Address: _____ Zip: _____
Do you wish to testify? Yes No Respond To Questions

NAME: Mary Siroky Subject/Bill No: _____
Co./Dept./Title: DEC Phone: _____
Address: _____ Zip: _____
Do you wish to testify? Yes No Respond To Questions

