

# BDR 26-1060

## AB 408

### EXECUTIVE AGENCY FISCAL NOTE

#### AGENCY'S ESTIMATES

Date Prepared: March 26, 2015

Agency Submitting: State Department of Conservation and Natural Resources

Items of Revenue or Expense, or Both	Fiscal Year 2014-15	Fiscal Year 2015-16	Fiscal Year 2016-17	Effect on Future Biennia
Total	0	0	0	0

#### Explanation

(Use Additional Sheets of Attachments, if required)

BDR 26-1060 (AB 408) would enact provisions governing the transfer and use of certain public lands directly managed by the Federal Government. Actual fiscal implications cannot be calculated due to the uncertainty of how much land and related land management responsibilities will ultimately be transferred from the Federal Government. However, the bill appears to call for immediate implementation of the sections pertaining to State Lands development of regulations and carrying out a system for appropriated rights. This could result in a fiscal impact in the tens of millions for State Lands. As a point of reference, the Arizona Department of Lands is responsible for 9.2 million acres and reports a budget of \$14.6 million in FY 14. While AB408 is not clear regarding the acreage to be transferred out of Federal management, Nevada is about 71 million acres (about 86% federally managed). As such about 60 million acres could potentially be transferred. Extrapolating management costs using Arizona as a benchmark would result in a budget need of about \$95 million.

AB408 would also require State Lands to develop programmatic regulations for the appropriation of rights for logging, grazing and mineral development. Content of any regulations for such activities would be complicated and controversial, resulting in significant technical analysis, staff time and expense. It also appears that passage of AB408 will require the development of a database system to track the registration of the different appropriated rights and permits associated with activities on the newly secured lands, which will require significant staff resources and expense.

The above are costs only related to State Lands. Fiscal implications for DCNR will be even greater depending on the specific lands transferred, i.e. if State Parks is to assume management of all recreation areas currently managed by Federal agencies and if Forestry is to assume all liability for wildfires on public lands.

Name Kelly M. Williams

Title ASO IV

#### DEPARTMENT OF ADMINISTRATION'S COMMENTS

Date Wednesday, March 25, 2015

The agency's response appears reasonable.

Name James R. Wells, CPA

Title Interim Director