

Fiscal Note

State of Alaska
2016 Legislative Session

Bill Version: HB 241
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB241-DFG-CFEC-03-16-16
Title: NONRESIDENT SURCHARGE COMMERCIAL
FISHING
Sponsor: MILLETT
Requester: House Fisheries Committee

Department: Department of Fish and Game
Appropriation: Commercial Fisheries
Allocation: Commercial Fisheries Entry Commission
OMB Component Number: 471

Expenditures/Revenues

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

	FY2017	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2017 Request	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
OPERATING EXPENDITURES	FY 2017	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

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Estimated SUPPLEMENTAL (FY2016) cost: 0.0 *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2017) cost: 0.0 *(separate capital appropriation required)*
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes
If yes, by what date are the regulations to be adopted, amended or repealed? 12/31/16

Why this fiscal note differs from previous version:

This fiscal note is the initial version

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Division:	<u>Commercial Fisheries Entry Commission</u>	Date:	<u>03/16/2016 04:26 PM</u>
Approved By:	<u>Benjamin E. Brown, Commissioner</u>	Date:	<u>03/16/16</u>
Agency:	<u>Commercial Fisheries Entry Commission</u>		

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2016 LEGISLATIVE SESSION

BILL NO. HB241

Analysis

At this time, the Commercial Fisheries Entry Commission (CFEC) anticipates that verifying that an applicant for issuance or renewal of a limited entry permit is eligible for an Alaska Permanent Fund dividend could be performed by existing staff. CFEC would need to create new forms which applicants would complete and submit with documentation proving dividend eligibility as provided in AS 16.43.160(e)(1)-(4). CFEC licensing staff would consider each applicant's documentation and attempt to verify the claim of dividend eligibility by accessing the Department of Revenue Permanent Fund Dividend Division's "RPF" portal. If the applicant's documentation and CFEC's staff efforts could not verify the information using RPF, the applicant could still pursue a claim that he or she was otherwise eligible for a dividend under AS 16.43.160(e)(4), which would likely be a more time-consuming process¹. Applicants found ineligible for a dividend would be required to pay the statutory nonresident surcharge.

If an applicant were to contest CFEC's determination, the applicant would be entitled to an adjudication as outlined in 20 AAC 05.1805(b)(2) and a decision would duly be issued. Under 20 AAC 05.1845, the applicant could request an administrative hearing to review the decision and through the process be issued a final decision by the commission. If the resulting decision were that the applicant was a resident, a refund would be issued for the surcharge paid.

Should CFEC determine the above process is not working with existing staff for FY 2018 and beyond, CFEC would likely seek a part-time position to perform investigations for residency verification.

20 AAC 05.290, CFEC's regulation defining residency, would need to be amended and CFEC would do so as quickly as possible upon passage of the bill so CFEC's regulations were not in conflict with the Limited Entry Act.

CFEC licensing staff currently attempt to determine an applicant's eligibility to pay resident fees, and charge the nonresident surcharge to applicants who fail to demonstrate their eligibility. Without more data, CFEC is presently not able to determine what revenues might be generated with this legislation.

CFEC also notes that it is unclear what ultimate fiscal impact HB 241 would have on the entity responsible for determining residency and collection of the nonresident surcharge. The scope and effect of Administrative Order 279 (which authorized the transfer of ministerial licensing and permitting services from CFEC to DFG) is currently under consideration.