

# FISCAL NOTE

**STATE OF ALASKA**  
**2004 LEGISLATIVE SESSION**

Fiscal Note Number: 4  
 Bill Version: SCS CSHB 452(RES)  
 (S) Publish Date: 5/7/04

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Fish and Game  
 Title Guided Sport Fishing/Vessel Licensing/ RDU Comm. Fish Entry Commission  
ADFG & CFEC Records Component Commercial Fisheries Entry  
 Sponsor Representative Heinze Commission \_\_\_\_\_  
 Requester \_\_\_\_\_ Component No. 471

**Expenditures/Revenues** (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>CAPITAL EXPENDITURES</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>CHANGE IN REVENUES ( )</b>	<b>(92.0)</b>	<b>(92.0)</b>	<b>(92.0)</b>	<b>(92.0)</b>	<b>(92.0)</b>	<b>(92.0)</b>

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
1156 Receipt Supported Services						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2004) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

See attached page.

Prepared by: Shirley Penrose, Administrative Officer Phone 907-790-6960  
 Division Commercial Fisheries Entry Commission Date/Time 5/6/04 10:39 AM  
 Approved by: Mary McDowell, Commissioner Date 5/6/2004  
 Agency Commercial Fisheries Entry Commission

## FISCAL NOTE #4

STATE OF ALASKA  
2004 LEGISLATIVE SESSION

BILL NO. SCS CSHB 452(RES)

### ANALYSIS CONTINUATION

Elimination of the requirement that vessels used for guided sportfishing (sport charter) obtain a commercial vessel license is estimated to result in a loss of CFEC revenue of at least \$92.0 annually.

In 2003, 3083 vessel licenses were issued for vessels licensed ONLY for guided sport, generating \$92.0 in total fees. Additionally, in 2003, CFEC issued vessel licenses to 959 vessels that applied to participate in BOTH sport charter AND commercial fisheries (only one license per vessel is currently required, but both charter and commercial vessel license applications are submitted to obtain endorsements to participate in both fisheries). Those "dual-use" vessel licenses generated \$38.2. This fiscal note assumes that ALL of those vessels will continue to license for commercial fishing after passage of this bill. However, if that is not true, and some opt to no longer license for commercial fishing, the loss of revenue to CFEC could be higher than \$92.0.

CFEC is entirely funded by Receipt Supported Services(RSS) revenue. A number of factors in recent years, including reduced permit fees due to the Carlson class action and the downturn in salmon fisheries, have resulted in a significant decline in the amount of revenue generated by CFEC receipts. The agency is now very close to not generating enough revenue to fund its own budget. The additional loss of revenue due to the elimination of charter vessel license fees under this bill, could result in revenues being insufficient to cover CFEC's authorized budget. CFEC and the legislature will need to work together to address this problem in the near future, perhaps through a change in funding source, amendments to statutorily established fee structures, or both.

Although CFEC is concerned about the impact on its declining revenues, we support HB452 and the effort to consolidate all licensing of charter operators and vessels within ADF&G. Additionally, elimination of charter vessel licensing responsibilities will allow CFEC's very small licensing staff to more efficiently serve the licensing needs of commercial fishermen.