

**ALASKA STATE LEGISLATURE
HOUSE RESOURCES STANDING COMMITTEE**

April 11, 2003

1:10 p.m.

MEMBERS PRESENT

Representative Beverly Masek, Vice Chair
Representative Carl Gatto
Representative Cheryll Heinze
Representative Bob Lynn
Representative Carl Morgan
Representative Kelly Wolf
Representative David Guttenberg
Representative Beth Kerttula

MEMBERS ABSENT

Representative Hugh Fate, Chair

OTHER LEGISLATORS PRESENT

Representative Peggy Wilson

COMMITTEE CALENDAR

HOUSE BILL NO. 163

"An Act relating to an annual wildlife conservation pass and the fee for that pass; relating to nonresident and nonresident alien big game tag fees; and providing for an effective date."

- MOVED CSHB 163(RES) OUT OF COMMITTEE

HOUSE JOINT RESOLUTION NO. 19

Relating to the ultra low sulfur diesel fuel requirements of the United States Environmental Protection Agency and their application to Alaska.

- SCHEDULED BUT NOT HEARD

HOUSE BILL NO. 191

"An Act relating to the Alaska coastal management program and to policies and procedures for consistency reviews and the rendering of consistency determinations under that program; relating to the functions of coastal resource service areas; creating an Alaska Coastal Program Evaluation Council; eliminating the Alaska Coastal Policy Council; annulling certain

regulations relating to the Alaska coastal management program; relating to actions based on private nuisance; relating to zoning within a third class borough covered by the Alaska coastal management program; and providing for effective dates."

- BILL HEARING POSTPONED

PREVIOUS ACTION

BILL: HB 163

SHORT TITLE:NONRES. GAME TAG FEES/WILDLIFE TOUR PASS

SPONSOR(S): RLS BY REQUEST OF THE GOVERNOR

Jrn-Date	Jrn-Page		Action
03/05/03	0433	(H)	READ THE FIRST TIME - REFERRALS
03/05/03	0433	(H)	RES, FIN
03/05/03	0433	(H)	FN1: (DFG)
03/05/03	0433	(H)	FN2: (DFG)
03/05/03	0434	(H)	GOVERNOR'S TRANSMITTAL LETTER
03/14/03		(H)	RES AT 1:00 PM CAPITOL 124
03/14/03		(H)	Heard & Held
03/14/03		(H)	MINUTE(RES)
03/17/03		(H)	RES AT 1:00 PM CAPITOL 124
03/17/03		(H)	Heard & Held
03/17/03		(H)	MINUTE(RES)
04/04/03		(H)	RES AT 1:00 PM CAPITOL 124
04/04/03		(H)	Heard & Held MINUTE(RES)
04/09/03		(H)	RES AT 1:00 PM CAPITOL 124
04/09/03		(H)	Heard & Held MINUTE(RES)
04/11/03		(H)	RES AT 1:00 PM CAPITOL 124

WITNESS REGISTER

GORDY WILLIAMS, Legislative Liaison
Office of the Commissioner
Alaska Department of Fish & Game (ADF&G)
Juneau, Alaska

POSITION STATEMENT: During hearing on HB 163, answered questions relating to amendments to Version D.

MICHELLE SYDEMAN, Assistant Director
Division of Wildlife Conservation
Alaska Department of Fish & Game (ADF&G)
Juneau, Alaska

POSITION STATEMENT: During hearing on HB 163, informed members that the bill will require an additional one-half position in the department.

ACTION NARRATIVE

TAPE 03-29, SIDE A

Number 0001

VICE CHAIR BEVERLY MASEK called the House Resources Standing Committee meeting to order at 1:10 p.m. Representatives Masek, Gatto, Heinze, Lynn, Morgan, Guttenberg, and Kerttula were present at the call to order. Representative Wolf arrived as the meeting was in progress. Representative Fate was excused. Also in attendance was Representative Wilson.

HB 163-NONRES. GAME TAG FEES/WILDLIFE TOUR PASS

[Contains discussion of SB 122, the companion bill]

VICE CHAIR MASEK announced that the only order of business would be HOUSE BILL NO. 163, "An Act relating to an annual wildlife conservation pass and the fee for that pass; relating to nonresident and nonresident alien big game tag fees; and providing for an effective date." [The bill was sponsored by the House Rules Standing Committee by request of the governor.]

Number 0150

VICE CHAIR MASEK reminded members that before the committee, adopted as a work draft on 4/4/03, was Version D, labeled 23-GH1098\D, Utermohle, 3/18/03. She returned attention to amendments. [A first Amendment 1 and an additional Conceptual Amendment 1 had been moved, discussed, and withdrawn on 4/9/03.]

Number 0193

REPRESENTATIVE MORGAN moved to adopt [a new] Amendment 1, which read [original punctuation provided]:

Page 2, following line 14

Insert:

(9) a wildlife conservation pass will provide new revenue that may be used to support fish and wildlife management, including protection, and to support and promote the tourism industry;

[The first part of this amendment was identical to the first Amendment 1 discussed 4/9/03; the latter ended with the additional phrase "for which wildlife resources attract visitors to the state".]

Number 0197

REPRESENTATIVE KERTTULA objected to request an explanation.

Number 0265

GORDY WILLIAMS, Legislative Liaison, Office of the Commissioner, Alaska Department of Fish & Game (ADF&G), explained that new Amendment 1 resulted from discussions with committee members and [Chair Fate's] staff regarding the desire to have further intent language and direction in the bill about where funds may be used - he emphasized the permissive "may" - for fish and wildlife protection or in support or promotion of the tourism industry. He noted that it is a finding [in the legislation].

Number 0368

REPRESENTATIVE KERTTULA removed her objection.

Number 0380

VICE CHAIR MASEK asked if there was any objection to adopting Amendment 1. There being no objection, it was so ordered.

Number 0405

REPRESENTATIVE MORGAN moved to adopt Amendment 2, which read [original punctuation provided]:

Page 6, lines 12 - 14:

Delete all material and insert

(4) a person who possesses a current year sport fishing license, hunting license, or trapping license issued to the person by the department under this title;

Page 6, following line 14:

Insert a new paragraph (5):

(5) a person who possesses a valid Alaska driver's license issued under AS 28.15;

Renumber

Page 6, following line 23:

Insert:

(d) The commissioner may issue a duplicate wildlife conservation pass as a replacement for a wildlife conservation pass issued under this section. The fee for a duplicate wildlife conservation pass is \$5. The commissioner shall not issue a duplicate wildlife conservation pass unless the commissioner or a delegate is satisfied that the original has been lost or destroyed.

Re-letter

Number 0418

REPRESENTATIVE KERTTULA objected for purposes of discussion and requested an explanation.

MR. WILLIAMS referred to the portion of Amendment 2 relating to page 6, lines 12-14. He said the intent of the bill is that if someone makes a contribution to fish and wildlife management in Alaska by buying a hunting, fishing, or trapping license, that would serve as an exemption to buying the wildlife pass. Removing the word "valid" and providing clarification enables someone who bought a three-day fishing license, for example, to be exempt.

Number 0590

MR. WILLIAMS addressed the second portion [referring to page 6, following line 14]. He indicated the intent that residents be exempt from the requirement to have a pass. Recognizing that people may not carry or have a permanent state identification (ID) or a voter registration card, he said [proposed paragraph (5) in Amendment 2] says that if a person has an Alaska driver's license, showing it can serve as an exemption to the pass. He acknowledged that a person doesn't have to live in Alaska or technically be a resident in order to obtain an Alaska driver's license, but suggested that if someone makes that commitment to buy the license and pay the fee, [the administration] believes it will be a lot easier [to have that as an exemption], because

the desire is to lessen the burden on "operators" with regard to proof of residency.

Number 0694

MR. WILLIAMS explained that the portion relating to [page 6, following line 23] refers to the provision for replacing a wildlife pass for \$5. He said it is virtually the same language that exists for a sport fishing, hunting, or trapping license.

Number 0739

REPRESENTATIVE LYNN asked where someone would go to replace a lost pass.

MR. WILLIAMS replied that currently there are about 1,600 vendors for ADF&G licenses, and indicated a person could go to any of those vendors.

REPRESENTATIVE LYNN asked about tracking and whether these 1,600 vendors are linked to a centralized computer in order to verify that the person had a license to begin with.

MR. WILLIAMS reiterated that this language mirrors the current language for hunting and fishing. He said the department takes people at their word, and if people are willing to pay the \$5, the license will be reissued without a lot of upfront checking.

REPRESENTATIVE LYNN commented that a regular residential fishing license costs [\$20] and that someone could obtain the same license for \$5 if the person claimed the license was lost.

Number 0844

MR. WILLIAMS said he thinks that's true, but highlighted the costs involved with requiring additional tracking and having computer terminals at various places. He also suggested that enforcement could occur after the season, for example, if a violation were discovered. "But I think, in the long run, that's a cheaper way to go ... than requiring all the check-ins and holding people up from pursuing their pursuits," he added.

Number 0920

REPRESENTATIVE KERTTULA withdrew her objection to Amendment 2.

Number 0930

VICE CHAIR MASEK announced that there being no objection, Amendment 2 was adopted.

Number 0948

REPRESENTATIVE KERTTULA offered [Conceptual Amendment 3] to change the effective date to January 1, 2004. On page 8, deleted would be line 20 [Section 14] because it would be redundant. And on line 21, Section 15, deleted would be the words "Except as provided in sec. 14 of this Act,". Thus the entire effective date would be changed to say that the Act takes effect January 1, 2004.

Number 1010

VICE CHAIR MASEK asked Mr. Williams to respond.

MR. WILLIAMS stated that the governor's intention is that the bill's effective date would be July 1, 2003, and that the department has been working towards that date.

REPRESENTATIVE KERTTULA asked if there were any difficulties, technical or otherwise, involved with delaying the effective date. She acknowledged that less money would be obtained, but suggested it may be easier to get this up and running if it started next year.

MR. WILLIAMS agreed that certainly a little more time to educate and notify the public about the pass would [be helpful] to getting the program up and running.

Number 1122

REPRESENTATIVE GUTTENBERG asked what the average time is to draw up regulations for a bill such as this.

MR. WILLIAMS responded that it would take some time, and that depending on when the bill passes, it's doubtful that regulations would be in place by July 1 [2003], although the department would work to get them done as soon as possible.

Number 1165

REPRESENTATIVE GATTO asked how many new positions the department will add [if the bill passes] to take care of compliance.

MR. WILLIAMS replied that there are two fiscal notes from the department and that there will be some new expenses incurred to the department.

Number 1180

MICHELLE SYDEMAN, Assistant Director, Division of Wildlife Conservation, Alaska Department of Fish & Game (ADF&G), said one-half of a position would be needed to administer the extra duties.

MR. WILLIAMS said he thought there might be some dialogue on the fiscal note.

Number 1214

REPRESENTATIVE LYNN asked how much revenue would be lost every month if implementation were delayed.

MR. WILLIAMS opined that an effective date of July 1 [2003] would capture a significant amount of revenue from the tourists. He noted that much of the cruise ship business and other tourism occurs between July and the end of the tourist season, usually October.

Number 1310

REPRESENTATIVE HEINZE asked: Why not take this shot and go for it? And if the date remains July 1 [2003], as desired by the governor, wouldn't a delay put this program in harm's way?

REPRESENTATIVE KERTTULA explained her reasoning for Conceptual Amendment 3. The committee has heard from a number of small Alaskan businesses about what the impact would be on them, since they've presold their tours. She indicated delaying the effective date wouldn't have so much of an effect on businesses, including cruise ship companies, that have presold their tours.

REPRESENTATIVE HEINZE asked if the business owner in Petersburg, for example, could request an extra \$10 [from her clients] if she hadn't already specified that she was offering wildlife tours.

REPRESENTATIVE KERTTULA suggested this is segueing into another area. She offered to give her opinion on that later.

VICE CHAIR MASEK requested that Mr. Williams address this further. Since the amendment hadn't been brought before the committee earlier, she also said this isn't good timing.

REPRESENTATIVE KERTTULA respectfully disagreed, saying [consideration of amendments] is supposed to happen at this time.

MR. WILLIAMS reiterated the administration's intent that the effective date be July 1 [2003], and his belief that this date can be met [by the department], going forth with education and trying to do the best they can, recognizing that there will be some "bumps in the road" the first year.

Number 1587

REPRESENTATIVE GATTO questioned whether tour operators would tell their customers that they must pay extra [on prepaid tours] or else not go on the tour. He opined that there would be a lot of blame put on legislators and the state as a whole for rushing into something without preparation. He said he wasn't in favor of a July 1 [2003] start either, because it is too quick for something that seems complicated and hard to identify - unlike a hunting license, where the resulting take is identifiable. He said he would vote "do not pass" on the bill itself, but also didn't like the effective date, whereas rolling it back to January 1 [2004] provides plenty of time. He asked Mr. Williams to comment.

MR. WILLIAMS replied that with any new program, there will be some education and rough moments in the first year, and that hopefully the department will take into account that this is a new program in the first year. He said this outreach has been calculated into the fiscal note with regard to "working with groups and getting them set up as vendors."

REPRESENTATIVE GATTO said there is no real money for enforcement.

Number 1739

REPRESENTATIVE GUTTENBERG spoke in favor of Conceptual Amendment 3. He pointed out that the committee had heard a lot of testimony with regard to the effective date from small businesses around the state. He offered his understanding that for many people who didn't like the bill at all, they'd said that it would be at least palatable if it weren't implemented

this year, since these businesses will basically "eat" the cost. He highlighted testimony from a woman who charges \$15 for a walking tour, which would double if she charged her clients [for the wildlife pass]; otherwise, she would eat the cost and receive nothing.

MR. WILLIAMS reminded members that this is an annual pass and won't be charged at each tour level [if a person partakes of more than one tour]; thus it won't be incumbent on each tour operator to charge another \$15 [if the person has paid already].

REPRESENTATIVE HEINZE, noting that she has participated in the tourism industry extensively, remarked that it is a "fluid" industry: even after tour operators have printed their materials, Princess Tours might decide to raise its prices, for example. She suggested that people have to roll with it, opined that this won't be that big of a thing, and highlighted the fact that this is something the governor wants. She suggested doing this to raise revenue in the state.

Number 1928

VICE CHAIR MASEK spoke against Conceptual Amendment 3, saying that where there's a will, there's a way. She opined that the bill will help the industry in Alaska; access can be improved, for example, so that more visitors can come. She said other states have put in a lot of funding to help increase the tourism industry, and do ask help from visitors. She characterized this as a "friendly bill in helping to bring in income to our state." She asked whether there was further discussion on Conceptual Amendment 3.

A roll call vote was taken. Representatives Gatto, Lynn, Guttenberg, and Kerttula voted in favor of Conceptual Amendment 3. Representatives Masek, Heinze, Morgan, and Wolf voted against it. Therefore, Conceptual Amendment 3 failed by a vote of 4-4.

Number 2073

REPRESENTATIVE HEINZE moved to report CSHB 163, Version 23-GH1098\D, Utermohle, 3/18/03, as amended, out of committee with individual recommendations and the accompanying fiscal notes.

Number 2081

REPRESENTATIVE GUTTENBERG objected.

VICE CHAIR MASEK opined that Representative Kerttula's amendment [to change the effective date] would be deliberated in the next committee of referral, the House Finance Committee, since it deals with the fiscal impact.

Number 2108

REPRESENTATIVE KERTTULA explained that her main concern, other than constitutionality and the effective date, is that this pass will have to be purchased not just specifically for someone who advertises for wildlife viewing. She read from the definition on page 7, line 5 [paragraph (1)], which says in part:

(1) "commercial provider for an opportunity to view wildlife" means a person that provides to an individual, for compensation or with the intent to receive compensation, touring or recreational service, equipment, or facilities in the field, or transportation to or in the field related to tourism or recreation;

REPRESENTATIVE KERTTULA pointed out that in Alaska it is difficult to avoid seeing wildlife. If a person is within a city but is within an area used for wildlife viewing, that person will have to be charged for the pass. She further suggested that if people were only charged if the experience was billed as "wildlife viewing," nobody would say it that way. She opined that everybody will end up being charged when there is an opportunity to view wildlife, even if the person is going up on the tram or doing any number of activities. Stating opposition to the legislation, she said she believes that it is overly broad and unconstitutional as drafted, and that the effective date will put the onus on Alaska.

Number 2248

REPRESENTATIVE GUTTENBERG offered his belief that the bill has some serious failings, some fatal, among them the concept of "wildlife viewing" [pass], which he suggested is just a tourist pass. Even someone coming in the winter to visit [a resident] is likely to see a moose, for example. With regard to the effective date, he highlighted testimony from small businesses as well as the operator of the tram, saying they've set their price structures and done their [pre-season preparation] work. He said he has heard from guides as well, who sell programs via computer or by phone; the next time there is an interaction with

that customer is when a floatplane lands. He also suggested that doing the regulations [in time for a July 1, 2003, effective date] is more than the department can do with a one-half position because it will require contacting 1,600 vendors in the state for this entirely new program. He said he thinks the time is wrong, and although the effort is a start for a fiscal policy in the big picture, this isn't it by itself.

Number 2336

REPRESENTATIVE GATTO also spoke against the bill. He referred to page 7, beginning on line 7, paragraph (1), noting that a "commercial provider for an opportunity to view public wildlife" includes a person who provides outfitting, guiding, and so forth. He suggested that someone selling insect repellent at a grocery store would be outfitting a person for wildlife viewing. He expressed concern about interpretation by any one individual as far as what "outfitting" or a "commercial service" means. He indicated he had further objections as well.

Number 2402

REPRESENTATIVE KERTTULA thanked the department personnel and lauded the attempt to get money to try to leverage federal funds in order to have proper wildlife protection and activities, but said she didn't think this was the right way to do it.

Number 2426

VICE CHAIR MASEK referred to background materials on HB 163 and [SB] 122, the companion bill, contained in members' packets. She read from a portion:

The billion-dollar tourism industry draws substantial revenue each year from marketing Alaska's wildlife. It's only fair that these visitors and the industry that ... directly benefits from them help to sustain our fish and wildlife resources. Most visitors will be happy to know ... they are making a contribution to help ... wildlife conservation in Alaska. ...

One of the legislative priorities of the Alaska Travel Industry Association [ATIA] is increased wildlife viewing opportunities. The ATIA supports cooperative efforts to expand wildlife viewing opportunities throughout the state.

VICE CHAIR MASEK offered her belief that with this bill, these funds would enable ADF&G to better respond to this need. Noting that the bill had been amended, she indicated the committee is striving to have a fair and balanced bill. She also opined that the House Finance Committee will address some of the issues raised in the current committee, and said there will be more time on the House floor to debate it as well.

Number 2545

A roll call vote was taken. Representatives Gatto, Heinze, Lynn, Morgan, Wolfe, and Masek voted in favor of moving CSHB 163, Version D, as amended, out of committee. Representatives Guttenberg and Kerttula voted against it. Therefore, CSHB 163(RES) was reported from the House Resources Standing Committee by a vote of 6-2.

ADJOURNMENT

There being no further business before the committee, the House Resources Standing Committee meeting was adjourned at 1:50 p.m.