

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

Fiscal Note Number: 5
 Bill Version: HCS CSSB 147(RLS)
 (H) Publish Date: 5/6/05

Revision Date/Time (Note if correction) _____ Dept. Affected: Fish and Game
 Title Sport Fishing Facility Revenue Bonds RDU Sport Fisheries
 Component Sport Fisheries
 Sponsor Senator Ralph Seekins
 Requester House Rules Committee Component No. 464

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Personal Services						
Travel			10.1	10.1	10.1	10.1
Contractual	200.0	350.0	1,182.8	1,182.8	1,182.8	1,182.8
Supplies			111.8	111.8	111.8	111.8
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	200.0	350.0	1,304.7	1,304.7	1,304.7	1,304.7
CAPITAL EXPENDITURES						
CHANGE IN REVENUES (1024)	1,612.1	6,450.3	6,450.3	6,450.3	6,450.3	6,450.3

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	150.0	262.5	978.5	978.5	978.5	978.5
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
1024 Fish and Game Fund	50.0	87.5	326.2	326.2	326.2	326.2
TOTAL	200.0	350.0	1,304.7	1,304.7	1,304.7	1,304.7

Estimate of any current year (FY2005) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This legislation creates and authorizes the Sport Fishing Facility Revenue Bond sale for up to \$69 million in revenue bonds to finance the building of a new hatchery in Fairbanks, rebuilding of the Fort Richardson hatchery in Anchorage, and hatchery-related needs in Southeast Alaska.

Passage of this legislation will establish a framework that will allow ADF&G to (1) issue revenue bonds for the construction/enhancement of sport fish hatcheries; and (2) establish a new sport fishing facility surcharge.

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 Date/Time 5/5/05 3:55 PM
 Date 5/5/2005

FISCAL NOTE #5

STATE OF ALASKA
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BILL NO. HCS CSSB 147(RLS)

ANALYSIS CONTINUATION

Upon passage of this legislation, the State of Alaska’s State Bond Committee will issue revenue bonds on behalf of ADF&G’s Division of Sport Fish. The Committee will issue up to \$69 million in revenue bonds to fund the construction/enhancement of the hatcheries. Bond proceeds will be used to pay for construction and also for costs of issuing bonds and providing an advance funded debt service reserve account. The annual debt service on the bond is shown in a separate fiscal note submitted by the Department of Revenue.

ADF&G has submitted a one-time CIP funding request that will allow the Division of Sport Fish to use bond funds for construction of a new hatchery in Fairbanks, rebuilding the Fort Richardson hatchery in Anchorage, and addressing additional hatchery-related needs in Southeast Alaska.

Sport fishing license surcharges established in the legislation have been structured so as to generate roughly \$6 million annually – the same amount required to pay debt service on the bond. These revenues will be used, in combination with federal funds, to pay back the bond debt issued by the State Bond Committee. The authority of the department to collect the surcharge will terminate on December 31 of the calendar year in which the bond debt is retired. The department expects to implement the surcharges on January 1, 2006, which allows the department to collect 25 percent of the net surcharges in FY2006, but the full net amount in FY2007 and beyond.

Beginning in FY06, \$200,000 will be expended to replace Southeast Sustainable Salmon Fund monies, which will no longer be available to fund Crystal Lake Hatchery operations. In FY07, a new program to provide king salmon smolt for release in the Haines area will be funded at an operational cost of \$150,000.

Increases to current sport fish hatchery program operational expenditures at Elmendorf and Fort Richardson hatcheries will not occur until FY08, at which time the new facilities in Fairbanks and Anchorage are scheduled to be completed and producing fish. This increased operational cost is estimated to be \$954,700. No additional positions will be required as existing positions will be reassigned as needed to operate the two new facilities.

All operational funds will be 75% Federal Aid matched with 25% Fish and Game Fund.

License Category	# Sold CY 2003	Proposed Fee	Potential SF Revenue Increase
Resident Sport Fishing	115,197	\$9.00	\$1,036,773
Resident Sport Fishing/Hunting	44,153	\$9.00	\$397,377
Resident Fishing/Hunting/Trapping	6,068	\$9.00	\$54,612
Nonresident Military Sport Fishing	4,210	\$9.00	\$37,890
Nonresident Military Fishing/Small Game	254	\$9.00	\$2,286
Nonresident 1-day Sport Fishing	109,622	\$10.00	\$1,096,220
Nonresident 3-day Sport Fishing	52,933	\$15.00	\$793,995
Nonresident 7-day Sport Fishing	84,314	\$25.00	\$2,107,850
Nonresident 14-day Sport Fishing	23,491	\$30.00	\$704,730
Nonresident Annual Sport Fishing	12,403	\$45.00	\$558,135
Revenue Provided by Resident Anglers			\$1,488,762
Revenue Provided by Non-Resident Anglers			\$5,301,106
Potential Gross Revenue Generated			\$6,789,868
Adjust new revenues for vendor payments (-5%)			\$6,450,375