

# Fiscal Note

State of Alaska  
2014 Legislative Session

Bill Version: CSHB 143(FIN)  
Fiscal Note Number: 3  
(H) Publish Date: 3/27/14

Identifier: HB143CS(FIN)-DFG-DAS-03-27-14  
Title: COMMERCIAL FISHING CREWMEMBER  
LICENSES  
Sponsor: SEATON  
Requester: House Finance Committee

Department: Department of Fish and Game  
Appropriation: Administration and Support  
Allocation: Administrative Services  
OMB Component Number: 479

## Expenditures/Revenues

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

	FY2015	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2015 Request	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
<b>OPERATING EXPENDITURES</b>	<b>FY 2015</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>
Personal Services							
Travel							
Services	1.4		9.5	9.5	9.5	9.5	9.5
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
<b>Total Operating</b>	<b>1.4</b>	<b>0.0</b>	<b>9.5</b>	<b>9.5</b>	<b>9.5</b>	<b>9.5</b>	<b>9.5</b>

## Fund Source (Operating Only)

1005 GF/Prgm	1.4		9.5	9.5	9.5	9.5	9.5
<b>Total</b>	<b>1.4</b>	<b>0.0</b>	<b>9.5</b>	<b>9.5</b>	<b>9.5</b>	<b>9.5</b>	<b>9.5</b>

## Positions

Full-time							
Part-time							
Temporary							

<b>Change in Revenues</b>	14.3		83.8	83.8	83.8	83.8	83.8
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**Estimated SUPPLEMENTAL (FY2014) cost:** 0.0 *(separate supplemental appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**Estimated CAPITAL (FY2015) 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If yes, by what date are the regulations to be adopted, amended or repealed? 01/01/15

## Why this fiscal note differs from previous version:

Reflects changes made in the House Finance Committee.

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Division: <u>Administrative Services</u>	Date: <u>03/27/2014 08:15 AM</u>
Approved By: <u>Kevin Brooks, Deputy Commissioner</u>	Date: <u>03/27/14</u>
Agency: <u>Commissioner's Office</u>	

FISCAL NOTE ANALYSIS #3

STATE OF ALASKA  
2014 LEGISLATIVE SESSION

BILL NO. CSHB 143(FIN)

**Analysis**

The House Finance Committee Substitute for HB 143 will limit the number of 7-day commercial crew licenses to one license per person per calendar year. HB 143 will also allow a commercial crewmember who purchased a 7-day license to receive a \$30 refund if they purchase an annual license within the same calendar year.

This analysis is based on actual 2012 commercial crewmember license sales and the current fee structure. In 2012, a total of 24,090 crewmember licenses were sold. 2,317 were non resident 7-day crew licenses and 443 were resident 7-day crew licenses.

In 2012, 542 non resident fishermen purchased two or more 7-day licenses. The 542 fisherman purchasing multiple 7-day licenses totaled 1,344 licenses. Under HB 143 we assume a majority of these fishermen will now purchase an annual license.

We are also estimating 15% of commercial crewmembers who initially purchase a 7-day license and then later decide to purchase an annual license will request a \$30 refund from Fish and Game. 15% of 542 fishermen is 81 refunds of \$30, for a total of \$2430.

<b>2012 Actual Sales</b>	<b># Sold</b>	<b>Fee</b>	<b>Gross Sales</b>
Annual Resident Crewmember	10,777	\$60	\$646,620
Annual NR Crewmember	<b>10,158</b>	\$250	\$2,539,500
Resident Child Crewmember	378	\$5	\$1,890
NR Child Crewmember	17	\$195	\$3,315
Resident 7-day Crewmember	443	\$30	\$13,290
NR 7-day Crewmember	<u>2,317</u>	\$30	<u>\$69,510</u>
<b>Total</b>	<b>24,090</b>		<b>\$3,274,125</b>

<b>Projected Sales under HB 143</b>	<b># Sold</b>	<b>Fee</b>	<b>Gross Sales</b>
Annual Resident Crewmember	10,777	\$60	\$646,620
Annual NR Crewmember	<b>10,700</b>	\$250	\$2,675,000
Resident Child Crewmember	378	\$5	\$1,890
NR Child Crewmember	17	\$195	\$3,315
Resident 7-day Crewmember	443	\$30	\$13,290
NR 7-day Crewmember	<u>973</u>	\$30	<u>\$29,190</u>
<b>Total</b>	<b>23,288</b>		<b>\$3,369,305</b>

**Difference (Increase)**

Annual Non resident Crewmember	\$135,500
Non resident 7-day Crewmember	<u>-\$40,320</u>
<b>Sub Total</b>	<b>\$95,180</b>
Refunds	<u>-\$2,430</u>
<b>Total</b>	<b>\$92,750</b>

**FISCAL NOTE ANALYSIS #3**

**STATE OF ALASKA  
2014 LEGISLATIVE SESSION**

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**Analysis Continued**

Per statute AS 23.35.060 2(d), the Fishermen's Fund receives 39% of the value of each commercial crew license sold up to a maximum value of \$50. The additional \$95,180 annual revenue in commercial crew license sales would potentially contribute up to \$11,400 additional revenue for the Fishermen's Fund.

Contractual expenditures reflect license vendor compensation for crewmember licenses calculated at 10% of gross sales.  $\$95,180 \times 10\% = \$9.5k$ .

With an effective date of January 1, 2015, we assume an increase of 15% of revenue and related expenditures for the second half of FY2015. This percentage is based on the 2012 purchasing behavior of our commercial crew members who bought a 7-day crew member license throughout the fishing season.

Any regulations needed to implement the refund will be completed by the effective date of HB 143.