

Fiscal Note

State of Alaska
2016 Legislative Session

Bill Version:	HB 177
Fiscal Note Number:	1
(H) Publish Date:	1/27/2016

Identifier: HB177-DFG-DSF-01-22-16
 Title: KING SALMON TAGS AND DESIGNS
 Sponsor: KELLER
 Requester: House Special Committee on Fisheries, Resources

Department: Department of Fish and Game
 Appropriation: Sport Fisheries
 Allocation: Sport Fisheries
 OMB Component Number: 464

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 2017	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	30.0		18.0	18.0	18.0	18.0	18.0	18.0
Travel								
Services	18.8		30.8	30.8	30.8	30.8	30.8	30.8
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	48.8	0.0	48.8	48.8	48.8	48.8	48.8	48.8

Fund Source (Operating Only)

1004 Gen Fund	43.8		38.8	28.8	18.8	8.8	
1005 GF/Prgm	5.0		10.0	20.0	30.0	40.0	48.8
Total	48.8	0.0	48.8	48.8	48.8	48.8	48.8

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues	5.0		10.0	20.0	30.0	40.0	50.0
---------------------------	-----	--	------	------	------	------	------

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? No
 If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

Not applicable, initial version.

Prepared By:	Thomas Brookover, Director	Phone:	(907)267-2150
Division:	Sport Fish	Date:	01/22/2016 06:00 PM
Approved By:	Kevin Brooks, Deputy Commissioner	Date:	01/23/16
Agency:	Department of Fish and Game		

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2016 LEGISLATIVE SESSION

Analysis

This Bill creates a king salmon tag program , making stamps available for the creation of king salmon limited edition prints and provide for the sale of stamps and prints to the public.

This analysis takes into account all foreseen costs to coordinate a new program including staff time, artist contracting, printing, and shipping costs. We anticipate printing 500 limited edition prints the first year and 1,000 each year after that.

Personnel costs cover salary for a portion of a position (Range 18) to lead and coordinate the program including developing and administering artist and printing contracts. This position is expected to work 4 months the first year (\$28,000) and 2 months in subsequent years (\$14,000) on this program. The department anticipates adding months to an existing seasonal position. Personnel costs also include staff time spent on sales and distribution of stamps and prints; these costs are estimated at \$1,800 for 500 prints, and \$3,600 for 1,000 prints.

Costs for services include:

- contract with artist: \$2,500 - \$5,000 per year
- printing contract for prints: \$8,000 (500 prints) - \$16,000 (1,000 prints)
- mailing supplies/postage: \$4,000 (500 prints) - \$8,000 (1,000 prints)
- increased cost for stamps: \$1,800

Sale of prints would generate an unknown level of revenue. Based on other similar prints, we expect a price in the range of \$100/print. If all prints are sold, revenue could reach \$50,000 for 500 prints and \$100,000 for 1,000 prints. However, actual demand for prints is unknown and we assume sales at 100 prints the first year, growing to 500 prints by year five. Revenues generated by similar art print and stamp programs developed by states (including State of Alaska duck stamps) in the 1980s experienced high initial sales and revenues the first year followed by steady annual declines.