

HOUSE FINANCE COMMITTEE  
April 10, 2015  
1:34 p.m.

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CALL TO ORDER

Co-Chair Thompson called the House Finance Committee meeting to order at 1:34 p.m.

MEMBERS PRESENT

Representative Steve Thompson, Co-Chair  
Representative Dan Saddler, Vice-Chair  
Representative Bryce Edgmon  
Representative Les Gara  
Representative Lynn Gattis  
Representative David Guttenberg  
Representative Scott Kawasaki  
Representative Lance Pruitt  
Representative Tammie Wilson

MEMBERS ABSENT

Representative Mark Neuman, Co-Chair  
Representative Cathy Munoz

ALSO PRESENT

Chris Hladick, Commissioner, Department of Commerce, Community, and Economic Development; Cynthia Franklin, Director, Alcoholic Beverage Control Board, Department of Commerce, Community and Economic Development; Jane Pierson, Staff, Representative Steve Thompson; Remond Henderson, Deputy Commissioner, Department of Corrections; Nancy Meade, General Counsel, Alaska Court System; Quinlan Steiner, Director, Public Defender Agency, Department of Administration; Representative Dave Talerico, Sponsor; Mike Peterson, Self, Juneau; Mitch Falk, Self, Juneau; Eddy Grasser, Safari Club International - Alaska Chapter, Juneau; Ron Somerville, Territorial Sportsman, Juneau; Matt Robus, Self, Juneau; Doug Larsen, Self, Juneau; Thor Stacey, Alaska Professional Hunters' Association, Juneau; Joshua Banks, Staff, Representative Dave Talerico.

PRESENT VIA TELECONFERENCE

Doug Gardner, Director, Legislative Legal Services; Carrie Belden, Director, Probation and Parole, Department of Corrections; Al Barrett, Self, Fairbanks; Mike Tinker, Self, Esther; Wayne Kubat, Self, Wasilla; Gary McCarthy, Self, Chugiak; Dick Rohrer, Self, Kodiak; Sam Rohrer, Self, Kodiak; Mike Crawford, Safari Club International, Soldotna; Keith Baxter, Kenai River Special Management Advisory Board, Soldotna; Nancy Hillstrand, Self, Homer.

SUMMARY

HB 15 CREDITS FOR TIME SERVED/GOOD TIME

CSHB 15(FIN) was REPORTED out of committee with a "do pass" recommendation and with four previously published zero fiscal notes: FN1 (ADM), FN2 (ADM), FN3 (COR), FN4 (LAW).

HB 123 ESTABLISH MARIJUANA CONTROL BOARD

HB 123 was HEARD and HELD in committee for further consideration.

HB 137 HUNTING, SPORT FISH, TRAPPING FEES

HB 137 was HEARD and HELD in committee for further consideration.

HB 176 REPEAL ST EMPL WAGE RAISE;LEGIS EMPL BENE

HB 176 was HEARD and HELD in committee for further consideration.

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Co-Chair Thompson discussed the meeting agenda.

#hb123

HOUSE BILL NO. 123

"An Act establishing the Marijuana Control Board; relating to the powers and duties of the Marijuana Control Board; relating to the appointment, removal, and duties of the director of the Marijuana Control

Board; relating to the Alcoholic Beverage Control Board; and providing for an effective date."

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CHRIS HLADICK, COMMISSIONER, DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT, relayed that the bill was the funding vehicle for the marijuana initiative and would also create a board to regulate marijuana (an option left to the legislature in the initiative language). He discussed that the administration had spent considerable time reviewing a variety of options for the regulatory framework. Following its work the administration recommended a new five-member volunteer board with a shared staff with alcohol. He explained that while some additional staff was needed for the increased workload associated with the implementation of the initiative and a new license pool, the cost of the board remained reasonable at \$50,000 annually for board travel and per diem. He relayed that the cost was comparable to what would be required for the Alcoholic Beverage Control (ABC) Board to hold additional meetings to address marijuana regulations and licensing; it would provide a board solely dedicated to the responsible and safe regulation of the new industry.

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CYNTHIA FRANKLIN, DIRECTOR, ALCOHOLIC BEVERAGE CONTROL BOARD, DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC DEVELOPMENT, provided a sectional analysis of the bill:

Section 1: Amends Title 4 naming the director of the Alcoholic Beverage Control Board as the director of the Marijuana Control Board. Establishes the process for appointment and removal of the director.

Ms. Franklin elaborated that a majority vote would be required for both boards. She continued with the sectional analysis:

Section 2: Establishes the 5 member Marijuana Control Board in Title 17 with designated seats for public health, rural, public safety, and industry.

Ms. Franklin added that the section reflected the way the division wished alcohol was regulated; not the way the ABC Board was currently structured. The structure for the ABC

Board was currently contained in SB 99, Title 4 revisions. She stated that there was no requirement for a public health or public safety representative on the current makeup of the ABC Board. The division felt the seats were essential in the new marijuana industry. She addressed Section 3:

Section 3: Establishes terms of office for board members and chair, sets out requirements for board meetings and provides for board member per diem. Outlines the powers and duties of the board to propose and adopt regulations, establish qualifications for licensure, review applications for licensure, hear appeals from the actions of the director, reduce the area of a licensed premise, and to adopt regulations according to AS 44.63. Establishes the board's enforcement powers as mirroring those of the Alcoholic Beverage Control Board outlined in AS 04.06.110. Provides for appointment and removal of the director and establishes the duties of the director.

Ms. Franklin elaborated that Section 3 included the first change from the House Labor and Commerce committee substitute; it put into statute the intent that the marijuana board would meet immediately following the ABC Board in order to reduce spending on staff travel. She moved to Sections 4 through 11:

Section 4: Defines board in AS 17.38.900(1) to mean the Marijuana Control Board created by this act.

Section 5: Defines "director" as the director of the Alcoholic Beverage Control Board and Marijuana control board. Defines "registration" to mean registration or licensure as determined by regulation.

Section 6: Amends the duties of the Department of Commerce, Community, and Economic Development to include providing clerical and administrative support for the Marijuana Control Board.

Section 7: Places the Marijuana Control Board on the list of entities whose procedural hearings are held by the Office of Administrative Hearings.

Section 8: Provides for a sunset date.

Section 9: Amends uncodified law for initial appointment of board members.

Section 10: Provides for transition regulations such that if the Alcoholic Beverage Control Board adopts any regulations before the Marijuana Control Board is created, those regulations can be implemented, enforced, amended or repealed by the Marijuana Control Board and provides that regulations adopted by the board in any transition period take effect after the effective date of the act.

Section 11: Provides for an immediate effective date.

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Co-Chair Thompson relayed that the bill would come before the committee again at a later date for additional discussion and public testimony.

Vice-Chair Saddler asked why Sections 1 and 2 both included provisions for the appointment and removal of the director. Ms. Franklin replied that Section 1 amended existing Title 4 law so that the statutes regarding alcohol also indicate that the director of the ABC Board was simultaneously the director of the Marijuana Control Board. Section 2 addressed the same issue in Title 17.

Representative Gara thanked Ms. Franklin for her work on the bill. He observed that enforcement would be needed when commercial operations began. He believed that extra enforcement staff (beyond current police officers, troopers, and law enforcement) were not necessary until revenue was generated from marijuana. Additionally, regulations would need to be developed; however, he disagreed with the process where the Department of Law charged the ABC Board for work done by its attorneys. He did not believe the services represented a real cost. He questioned whether the cost should be included in the fiscal note.

Co-Chair Thompson believed Commissioner Hladick had a comment about the possibility of not needing to hire two sets of enforcement officers. Commissioner Hladick replied that any new enforcement officers would be cross-trained in order to work together when traveling throughout the state. The administration believed that before commercial

operations began there would be commercial operations starting, which would keep officers busy.

Co-Chair Thompson surmised that officers would be cross-trained in order for one person to have the ability to handle both alcohol and marijuana issues.

Representative Guttenberg pointed to the 2018 expiration date for the board. He wanted to ensure that the date allowed sufficient time for the Division of Legislative Budget and Audit to do an accurate job to provide the legislature with a report. Ms. Franklin replied that the division would follow up with the timeline. She added that the sunset matched the date of the ABC Board extension.

Representative Guttenberg understood. However, he thought the initial audit of the Marijuana Control Board may need to be a bit different.

Representative Pruitt addressed board membership. He thought the public health, rural, public safety, and industry seats were fairly clear; however, the fifth seat was either filled by a member of the general public or from the marijuana industry. He cited Sections 2(e) and 2(f) of the bill:

(e) Not more than two members of the board may be engaged in the same business, occupation, or profession.

(f) A board member representing the general public, the public safety sector, the public health sector, or a rural area, or the member's immediate family member may not have a financial interest in the marijuana industry.

Representative Pruitt continued that due to the language related to the fifth board seat, there could potentially be two individuals with a financial interest in the marijuana industry on the board. He asked if that was the intent. He wondered about the reason for the potential duplication.

Ms. Franklin answered that the "or" was included because the background of the director was taken into consideration. For example, if the director had a marijuana industry background, the industry would lose a seat on the board. Likewise, if the director had a public safety

background, the public safety seat on the board would be replaced by a member of the general public. The language was a recognition that with a five-member volunteer board that would only meet a few times per year, the director's background had a significant impact on the agency; it was an attempt to avoid background duplication between the director and a board member. The replacement by a member of the general public would only occur if the director had one of the designated backgrounds.

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Co-Chair Thompson noted that the committee would hear the bill the following week.

Representative Guttenberg referred to the board membership, specifically related to a member from the marijuana industry. He reasoned that there were different components of the industry. He wondered if the concept had been taken into account.

Ms. Franklin replied that there had been significant discussion related to the industry seat, particularly in the first two years when regulations would be developed. The department recognized there would be different aspects of the industry just as there were in the alcohol industry. The makeup of the board did not include a prohibition on any certain section of the marijuana industry. She noted that there was a section in Title 4 that prevented a wholesaler from having a seat on the ABC Board. The division had not identified any aspect of the industry that would eliminate a person from consideration as a board member. She added that it was anticipated that there would not be a way to represent all aspects of the industry on the board.

HB 123 was HEARD and HELD in committee for further consideration.

#hb176

HOUSE BILL NO. 176

"An Act eliminating geographic pay differentials for employees of the legislature; repealing state employee salary schedule increases; and providing for an effective date."

[1:49:24 PM](#)

Vice-Chair Saddler MOVED to ADOPT the proposed committee substitute for HB 176, Work Draft 29-LS0796\E (Wayne, 4/2/15). There being NO OBJECTION, it was so ordered.

Co-Chair Thompson noted that staff from various departments were available to answer questions.

JANE PIERSON, STAFF, REPRESENTATIVE STEVE THOMPSON, provided the changes in the Committee Substitute (CS). The geographic pay differential had been removed from the legislation due to potential problems outlined in a legal opinion (copy on file). The bill only addressed the Cost of Living Allowance (COLA), which was scheduled as a 2.5 percent increase on July 1, 2015, and would not occur for state, legislative, and court employees. She detailed that COLA had ranged from zero to very high rates; the previous year it had been 1 percent. She relayed that the savings under the legislation would be approximately \$9,296,100 annually for all branches of the government.

Representative Gara understood the need for cost savings; however, he recalled a three-year pay increase that was minimal for state employees. He detailed that the first two years had been increases of 1 percent, which had lagged behind inflation, whereas, the third year was planned at 2.5 percent in order to even out with inflation over the three-year period. He believed the bill took away the one increase that would hold employees even with inflation. He asked for verification that his understanding was accurate and relayed his concern.

Ms. Pierson replied that Representative Gara's numbers were accurate. She reiterated that historically the COLA increases had ranged from zero to 4 percent.

HB 176 was HEARD and HELD in committee for further consideration.

#hb15

HOUSE BILL NO. 15

"An Act relating to credits toward a sentence of imprisonment and to good time deductions."

[1:53:57 PM](#)

Vice-Chair Saddler MOVED to ADOPT the proposed committee substitute for HB 15, Work Draft 29-LS0102\S (Martin, 4/8/15). There being NO OBJECTION, it was so ordered.

Representative Wilson explained the changes in the CS. She detailed that the word "substantial" had been deleted from the following sentence on page 1, line 12: "...under electronic monitoring and the court imposes substantial restrictions on the person's freedom of movement..." Additionally, on page 2, Section 3, the CS required a defendant to request to claim credit [toward a sentence of imprisonment for time spent in a treatment program] 10 days prior to a disposition hearing.

Co-Chair Thompson noted that staff from various departments were available to answer questions.

Representative Guttenberg believed electronic monitoring was only available in Fairbanks, Juneau, Anchorage, and possibly on the Kenai Peninsula. He stated that individuals in communities without electronic monitoring were not eligible for the program. He spoke to concerns about equal justice throughout the state.

Representative Wilson replied that the Department of Corrections (DOC) had the ability to offer electronic monitoring into other areas; however, the private sector was not present in the areas. She deferred to DOC for further detail.

REMOND HENDERSON, DEPUTY COMMISSIONER, DEPARTMENT OF CORRECTIONS, confirmed that Representative Wilson was correct; the department did have electronic monitoring available in other communities (outside of metropolitan areas). He elaborated that department staff was available to provide a list of the communities if desired. Additionally, the department was looking at expanding electronic monitoring in other areas in order to free-up prison beds.

Representative Guttenberg surmised that electronic monitoring was not currently available in some communities and may or may not be available in the future. He stated that individuals currently using the electronic monitoring service were paying a significant portion of the fee. He

wondered what the cost of the service would be for individuals in smaller communities such as Tanana.

Mr. Henderson answered that the bill dealt with electronic monitoring on pre-trial cases (the individuals did not fall under the department's jurisdiction). There was a zero fiscal note, because there was no cost to the department. He reiterated that staff was available to list current communities with electronic monitoring capability.

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Representative Guttenberg was interested in pre-trial information related to the legislation. He asked the department to follow up with the information.

Representative Gara was satisfied with that the CS met intent the committee had discussed at a prior meeting. He asked about the cost of electronic monitoring. Mr. Henderson answered that there was alcoholic monitoring and GPS monitoring; the alcoholic monitor was slightly more expensive. He believed less expensive monitoring was \$14 per day plus a weekly \$10 urinalysis fee (\$108 per week).

Representative Gara stated that there was an equal access to justice issue. He wondered why a condition could not be made to serve all of the state's court houses to provide rural residents with access.

Mr. Henderson deferred the question to the Alaska Court System.

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NANCY MEADE, GENERAL COUNSEL, ALASKA COURT SYSTEM, asked Representative Gara to repeat his question. Representative Gara reiterated his question.

Ms. Meade shared that pre-trial electronic monitoring currently existed in Anchorage, Fairbanks, Palmer, and Kenai. The state did not have contracts with electronic monitoring vendors. She detailed that the defendant, who has a third-party custodian as a bail condition, could decide to hire the vendor to act as the third-party custodian. She explained that the vendor was paid for by the defendant; the defendant brought the vendor to the judge for approval as the third-party custodian. She

believed the cost could be in the neighborhood of \$300 to \$500 depending on how much monitoring a person contracted with a vendor.

Representative Gara stated that judges were approving the usage under their standards for safety and monitoring. He wondered why the court system could not specify that the monitoring had to be provided in a multitude of other communities if it was provided in several.

Ms. Meade replied that it had never been considered by the court in the past. She stated that there was no relationship between the court and the vendor. The court's only role was to approve or disapprove of the vendor as the third-party custodian. She noted that the courts had not declined third-party vendors as custodians for having an office in one location but not another.

Representative Gara believed the court system did good work; however, he hoped the court would consider the issue because it was unequal access to justice issue. He stated that the court had done a substantial amount on unequal justice over the years. He asked for verification that electronic monitoring was limited to people in third-party custody. He discussed that the electronic monitoring was going to individuals who would otherwise get a third-party custodian. He detailed that a third-party custodian had to be with the individual 24-hours per day; the custodian could go to jail if they did not trail the individual constantly during the required time period.

Ms. Meade replied in the affirmative. She added that people who were released on their own recognizance with no bail conditions would not need to hire a third-party custodian and were not covered under the legislation.

Representative Gara discussed that third-party custody was provided as an option to individuals who were not the most reliable in the eyes of the court in order to free up jail space.

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Representative Gattis wondered if the bill was necessary to free up jail beds and expand monitoring statewide. Mr. Henderson answered that currently the department was not granting time for electronic monitoring in pretrial;

however, he believed the department had the ability. He stated that the bill was not essential for the department to exercise the ability for individuals in its custody. However, the bill was aimed at applying to individuals who were not yet in custody.

Representative Wilson stated that the bill represented an incentive and another tool in the court system's toolbox. She hoped the bill would incentivize people to get the needed treatment during the pretrial period versus while sitting in jail. She explained that it was also an incentive to get the time [served] credit. She anticipated that vendors would begin to operate in smaller communities if they saw that the service was needed. She had worked closely with DOC, which was doing significant work to ensure people were getting the help they needed.

Co-Chair Thompson asked how long a person was typically in pretrial status. Mr. Henderson replied that the number varied greatly; it could be several days to several months.

Representative Guttenberg wondered if the bill presented an equal access to justice issue. For example, a person in Bethel wanting access to the service in their own community. He wondered if there was a constitutional question. Ms. Meade saw his point, but hesitated to say whether it was a constitutional issue. She stated that currently people did have the option available in communities with vendors. The incentive to use the service was that a person could be out of jail with an ankle bracelet instead of in jail pretrial. She stated that the fact that no vendor had found it economical to go to some smaller communities had not caused the court to deny people from using the service in communities where it existed. She deferred the question to Legislative Legal Services for further detail.

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DOUG GARDNER, DIRECTOR, LEGISLATIVE LEGAL SERVICES (via teleconference), replied that Legislative Legal Services had not considered the question, probably because they did not know where the service was available and where it was not. He did not know whether the issue rose to a constitutional level and did not want to speculate. He surmised that there were probably other bail conditions the court could order in urban areas that may not be available

in rural areas. He explained that based on his experience as a prosecutor in trial courts throughout Alaska, courts tried to adjust bail conditions to the realities of the communities in which a person was held. He believed judges did a good job and had significant opportunity to balance out bail conditions.

Representative Guttenberg observed that all things could not be equal throughout the state from one community to another. He wondered about tools that were available for judges to provide a comparable option in a community.

Ms. Meade replied that there were a number of bail conditions (around 18) listed in the general bail conditions statute and other statutes that contained special bail conditions for different offences. For example, domestic violence, alcohol, and drug offences had a few additional bail conditions. She stated that judges had many choices when setting bail. The last condition applied could be anything a judge believed would adequately protect the community and the rights of the defendant.

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Representative Gara discussed that it was beneficial to provide the electronic monitoring service to give people the ability to work and in order to free up jail space. He addressed that there were people who could afford electronic monitoring; however, the people who could not afford the service or lived in a community without the service could not get the benefit of time served. He asserted that people without access to the service had to be in third-party custody, which was more onerous. He stated that the third-party custody limitations were greater than those on electronic monitoring because the person had to be tailed around the clock. He shared that he had just learned that the individuals in third-party custody did not get the credit for time served. He stressed that the bill would create two classes of people: the people who could afford electronic monitoring would receive credit for time served, whereas the other individuals would not receive credit for time served. He reasoned that a simple conceptual amendment could include third-party custody as another way to receive credit for time served. He explained that the amendment would save additional jail space for two equal groups of people.

Representative Wilson replied that there were a lot of classifications. She emphasized that the bill represented another tool in the toolbox. She highlighted that the service was not brought forward by a judge; it was brought forward by the person charged. She reminded the committee that the individuals under discussion had not been found guilty of any crime. She asserted that people who could not make bail may sit in jail, which was another classification. She reasoned that electronic monitoring made it easy for a person to prove to a judge that they abided by any conditions specified by the court. She stated that it was more difficult under third-party custody, which required a person to testify that the person they had been tasked with watching had met all of the conditions. She hoped that the incentive would mean electronic monitoring would become available in additional areas statewide. She believed it was not more readily available throughout the state because currently people did not receive credit for time-served under electronic monitoring. She emphasized that currently very few options were available for treatment purposes during pretrial. She stated that the bill could not fix everything. She was willing to work with Representative Gara on the other issues, but she did not believe the bill was the appropriate place. She stated that developing the bill had been a cooperative process to ensure that everyone could live with its changes. She wanted the opportunity to see how the changes would work in the coming year and to make revisions at a later time if necessary.

Co-Chair Thompson noted that Representative Kawasaki had joined the meeting. He added that Representative Munoz was excused.

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Representative Edgmon asked if there was any scenario where offenders with third-party custodians could be included in the future. Ms. Meade replied that the idea could potentially be taken up in the future. She stated that until the option was in statute, the courts would not provide credit for the time. She stated that the option would be a policy call by the legislature, which would be applied by the court.

Representative Edgmon hoped that in the future there would be much more electronic monitoring utilized. He wondered

what the department envisioned for the future in an era of downsized budgets. He believed the option would be a greater tool for everyone to utilize.

Mr. Henderson replied that the DOC commissioner was very interested in expanding electronic monitoring responsibly. He furthered that the commissioner did not believe electronic monitoring had been used effectively. He noted that a person would not automatically receive electronic monitoring if they committed a minor offence. He stated that electronic monitoring needed to be done on an individual basis and responsibly. He relayed that it was one of the vehicles the department saw that would help eliminate the need for a new prison. Additionally, the department had been looking at the option of moving more people into community residential centers.

Co-Chair Thompson asked about the current number of incarcerated individuals awaiting pretrial. Mr. Henderson replied that as of April 3, 2015 there were 1,875 people in pretrial.

Representative Edgmon remarked that he was also interested to hear from the department on the current limitation of vendors and electronic connectivity that was perhaps out of the state's control. Mr. Henderson agreed and deferred the question to his colleague for additional detail.

CARRIE BELDEN, DIRECTOR, PROBATION AND PAROLE, DEPARTMENT OF CORRECTIONS (via teleconference), replied that electronic monitoring could be done anywhere GCI had coverage throughout the state. She relayed that services private companies could provide depended on their service provider. She addressed the issue of fairness between urban versus rural locations. She explained that the service was limited by technology; DOC would like to have the option available statewide, but it was not in the department's hands.

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Representative Edgmon asked whose hands the issue was in. Ms. Belden replied that the department was at the mercy of the technology in some of the rural locations; some locations did not have the cellular service tower coverage or a reliable signal. Another concern was that when someone violated a bail condition there had to be some sort of law

enforcement presence in the community to rectify the violation; the issue would have to be taken into account by the court when it decided where to place a person.

Representative Edgmon conveyed his support for the bill. He wondered if there was a scenario that electronic monitoring would be routinely used throughout the state in the state (pre and post-trial). Ms. Belden replied in the affirmative. There was new technology that was rapidly developing that she hoped would be available in Alaska in the next couple of years that would help the state to expand and provide a better service.

Representative Edgmon asked for verification that the availability of private vendors was not a limiting factor. Ms. Belden believed the limitation was related to cellular towers.

Representative Wilson noted that the bill had removed the word "private" preceding the word "residence" in order to prevent limiting electronic monitoring to a person's home. She noted that a residence could be a halfway house or other, which was another way the bill aimed at addressing more rural areas.

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Vice-Chair Saddler asked for verification that the GPS element of an ankle monitor was only for location purposes and the communication between the monitor and the authorities was via cellular telephones. Ms. Belden replied in the affirmative.

Vice-Chair Saddler asked whether counting time served on electronic monitoring as equal to time served in incarceration was too generous. Ms. Meade replied that the issue was a policy call for the legislature. She elaborated that one-day to one-day was the ratio currently in statute (AS 12.55.027) for time spent pretrial in a treatment program. She detailed that currently the only way to get credit for time served was in a residential treatment program with characteristics that resembled incarceration.

Vice-Chair Saddler summarized his understanding of Ms. Meade's response to his prior question. Ms. Meade agreed.

Mr. Henderson concurred with Ms. Meade's statements.

Representative Wilson clarified that the treatment program had to be state-approved. When a person was confined to the program, they currently received the one-day for one-day pretrial. She added that it was currently the only way to receive the credit for time served.

Vice-Chair Saddler likened the current statute to the bill's requirement that a person on electronic monitoring would be confined to their place of residence unless they were working or in a treatment center.

Representative Wilson stressed that in order for a person to qualify for time served they were not allowed to leave the treatment center.

Vice-Chair Saddler clarified his point that currently the one-to-one ratio applied only to a confined treatment center and that the bill would require a person to be confined to home with an exemption for going to treatment. Representative Wilson agreed.

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Co-Chair Thompson OPENED public testimony.

Vice-Chair Saddler asked how the bill would reduce costs for the state. Ms. Meade replied that the bill would not reduce any costs within the court system. She elaborated that it was routine for courts to issue bail orders; some modifications may be made to court form orders, but that was inconsequential and something the court did anyway. She detailed that it was also routine for the courts to have "Nygren hearings or 027 hearings" at sentencing where people asked for credit. She thought there may be some longer hearings at the outset if the legislation was implemented, but the courts would have no fiscal impact. She stated that changes would be fairly routine for the courts to apply.

Mr. Henderson replied that the savings to DOC were indeterminate. The department anticipated that there could be potential savings. He stated that it was more cost-effective to be on electronic monitoring than in a "hard bed." He stated that the cost of \$22 per day versus \$150 per day meant there was potentially room for some savings.

Representative Gara WITHDREW Amendment 1:

BY REPRESENTATIVE GARA

Delete "and the court imposes substantial restrictions on the person's freedom of movement and behavior while under the electronic monitoring program, including requiring the person to be confined to a residence except for a (1) court appearance; (2) meeting with counsel; or (3) period during which the person is at a location ordered by the court for the purposes of employment, attending an educational or vocational training, performing community volunteer work, or attending a rehabilitative activity or medical appointment"

Representative Gara MOVED to ADOPT a conceptual amendment that would apply the same rules related to credit for time served for people in third-party custody as for people on electronic monitoring.

Representative Gattis OBJECTED.

Representative Gara spoke to his amendment. He stated that the people who would be put on electronic monitoring largely had some threat of escape or danger to society. Additionally, there was the problem of overcrowded prisons in Alaska and the looming possibility of needing to build another prison. He believed that the state needed to find rational ways to minimize the number of days spent in prison, while maintaining public safety. He believed it made sense to use electronic monitoring, which would free up prison space and would potentially be more humane. He believed the same should be done for people under third-party custody because they had the same restrictions and had a person tailing them 24-hours per day. He continued that the same purposes were served under electronic monitoring and third-party custody; a person was required to act under the court's conditions in both scenarios. He furthered that a person would not receive the credit if they violated their bail condition under both scenarios. He noted that the two classes of people were essentially the same: one class could afford electronic monitoring or lived in a location where it was available, whereas the other class that did not have the service available had to find a 24-hour third-party custodian to tail them. He added the third-party custodian had to sign under oath that they would be with the individual around the clock or they would

risk going to jail. He did not believe there was any difference between the two categories of people. He believed the introduction of a bill related to third-party custodians in the future was unlikely. He stressed that currently the bill would only benefit people who could afford the service and who lived in a community where it was available. He opposed discriminating against people who did not have the service available.

Co-Chair Thompson CLOSED public testimony

Representative Wilson spoke against the amendment. She stated that a lobbyist had not brought the bill forward. She emphasized her commitment towards making something work. She did not believe the situations highlighted by Representative Gara were the same because a third-party custodian was not awake 24 hours per day. She stated that it was not possible to verify the movement of the person in custody 24-7. She stated that it was different with an electronic device because it tracked where a person was at all times. She furthered that people who know how to break the law often knew how to break it again. She stated that the court did not have to provide the credit if it could not be proven that a person only went where the court designated was allowable. She did not believe the amendment matched the intent of the bill.

Co-Chair Thompson asked the Public Defender Agency to weigh in on the conceptual amendment.

QUINLAN STEINER, DIRECTOR, PUBLIC DEFENDER AGENCY, DEPARTMENT OF ADMINISTRATION, addressed whether the bill would create a disparity or inequity around the state. He stated that an inequity currently existed to a huge degree. For example, people with money could afford to make the cash bail much more easily than people without money. He believed access to electronic monitoring actually reduced the inequity; it was often easier to afford the cost of electronic monitoring than a large bail. He furthered that general inequities existed around the state depending on what programs, treatment, or options may be available. He believed implementing the concept in statute would provide incentive for the expansion of the program to other communities. He noted that technology was becoming more sophisticated. He referred to discussion that the bill could cause DOC to potentially expand into pretrial release. He saw the bill as promoting release and reducing

inequity and recidivism because it could be linked to treatment. He believed including third-party custodians would further reduce inequities. He detailed that third-party custodians served a similar, but not identical function. He added that the inclusion of third-party custodians would be a policy call. He concluded that granting credit for third-party would be a further extension of the general policy, but there were subtle differences between the two.

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Representative Gattis communicated that she had signed on as a co-sponsor of the bill. She had heard from constituents who had kids with infractions that were sitting in jail instead of working or going to treatment centers. She stressed if they were found not guilty they had lost their job and sometimes their families. She stated that if the individuals were found guilty, at least there was an opportunity to inspire them to get off the wrong track and move forward. She stressed that not only did the bill save the state money, it would save families. She stated that the bill would provide an opportunity to individuals should they choose to utilize it. She supported the bill and thought that the third-party custodian aspect would "bungle" the legislation. She did not believe it was onerous for the client using a third-party custodian, but it was onerous to be the third-party custodian. She stressed that the third-party custodian had to give up many of their liberties to follow someone around. She was reluctant to make the change. She liked DOC's attitude and believed it was the department's goal to move forward.

Representative Guttenberg asked for a definition of electronic monitoring. He stated that there were electronic monitoring apps on smart phones. He wondered if the definition only pertained to an ankle bracelet.

Co-Chair Thompson noted that the committee was addressing the conceptual amendment.

Representative Guttenberg thought the definition of electronic monitoring was relevant. He wondered if it could be expanded to anyone with a smart phone.

Representative Wilson replied that the bill focused on ankle monitoring. She deferred to the court system for further detail on what it had allowed.

Ms. Meade replied that judges had approved companies that used ankle monitors with GPS active monitoring. She detailed that a judge could designate certain exclusion zones. For example, the monitoring company would receive a beep if the person went to certain areas they were not supposed to go (e.g. the victim's home, a school, or other). She noted that electronic monitors measuring alcohol existed, but were not used as much.

Representative Guttenberg asked if a GPS pretrial monitoring program qualified. Ms. Meade confirmed that it was all pretrial that was covered.

Representative Guttenberg stated that "theoretically a judge could order this device instead of an ankle bracelet" for someone in Bethel. Ms. Meade believed the court had only approved ankle bracelets with GPS as electronic monitors. She had not seen a situation where the court had released a person with electronic monitoring via the individual's cell phone.

[2:43:39 PM](#)

Representative Edgmon requested to hear from the court system on whether the amendment would bog down the bill, knowing that electronic monitoring was more at a formative stage. Ms. Meade asked for clarification. Representative Edgmon clarified.

Ms. Meade replied that adding a third-party custodian into the bill would be a policy call. She agreed with Mr. Steiner and others who had said that there were differences between being under a third-party custodian arrangement and being on an electronic monitor with one of the vendors known to the court.

Representative Edgmon asked if the amendment gave the court another tool to apply. Ms. Meade did not see the amendment as providing the court with another tool. Currently the court could order third-party custodians; therefore, she did not believe the amendment would give the court something else it could offer to people out on bail.

Representative Gattis commented that a person with a monitoring app on their phone could give the phone to anyone. She reasoned that the cellphone would have to be attached to a person's ankle. She believed the concept of using cellphones as monitors was taking the conversation too far into the weeds.

Vice-Chair Saddler asked whether third-party custodianship provided less reliable information about compliance than electronic monitoring. Ms. Meade replied that an electronic monitor provided more reliable information about where a person had been pretrial than a third-party custodian; however, it could vary with the truthfulness of the custodian and other factors.

Mr. Henderson deferred the question to Ms. Belden. He added that he agreed with Ms. Meade's statements.

[2:46:36 PM](#)

Representative Gattis MAINTAINED her OBJECTION to the conceptual amendment.

A roll call vote was taken on the motion.

IN FAVOR: Guttenberg, Kawasaki, Edgmon, Gara  
OPPOSED: Pruitt, Saddler, Wilson, Gattis, Thompson

Co-Chair Neuman and Representative Munoz were absent from the vote.

The MOTION FAILED (4/5).

Vice-Chair Saddler spoke in support of the legislation. He remarked on the significant cost of recidivism. He stated that the bill would provide one tool to work towards addressing the issue. He discussed that the bill "hits people when they are recently incarcerated, when they are most amenable to having behavior modified" and reduced a person's exposure to the potential hardening aspects of incarceration. He remarked that the service was optional on both the part of the person incarcerated and the court system. He believed the service was a decent tool.

[2:48:11 PM](#)

Representative Wilson MOVED to REPORT CSHB 15(FIN) out of committee with individual recommendations and the accompanying fiscal notes. There being NO OBJECTION, it was so ordered.

CSHB 15(FIN) was REPORTED out of committee with a "do pass" recommendation and with four previously published zero fiscal notes: FN1 (ADM), FN2 (ADM), FN3 (COR), FN4 (LAW).

[2:48:42 PM](#)

AT EASE

[2:51:57 PM](#)

RECONVENED

#hb137

HOUSE BILL NO. 137

"An Act raising certain fees related to sport fishing, hunting, and trapping; raising the age of eligibility for a sport fishing, hunting, or trapping license exemption for state residents to 65 years of age; requiring state residents to purchase big game tags to take certain species; and providing for an effective date."

[2:52:13 PM](#)

Representative Wilson MOVED to ADOPT the proposed committee substitute for HB 137, Work Draft 29-LS0625\G (Bullard, 4/9/15). There being NO OBJECTION, it was so ordered.

JANE PIERSON, STAFF, REPRESENTATIVE STEVE THOMPSON, discussed the changes in the CS. She highlighted the first change that appeared in the bill title (page 1, lines 2 through 5) and read a segment of the title: "...the fish and game fund; providing for the repeal of the sport fishing surcharge and sport fishing facility revenue bonds; replacing the permanent sport fishing, hunting, or trapping..." The language meant that the \$9 surcharge for hatcheries in Anchorage and Fairbanks, which was due to expire around 2021, would go directly on top of fishing licenses. The impact of the language change appeared in Sections 4, 9, 11, 13, 15, and 32. She directed attention to Section 34 and explained that the revisors of statute would be notified when the bond was paid off; the sections [Sections 4, 9, 11, 13, 15, and 32] were conditional and

would only take effect when the bonds were paid off as shown in Section 35.

Ms. Pierson pointed to lines 3 through 5 (page 1) related to replacing the permanent sport fishing, hunting, or trapping identification card for certain residents with an identification card that would be valid for three years. She explained that the senior card (for ages 62 and older) that was currently good for life, would require renewal every three years; the card would remain free of charge.

Ms. Pierson moved to page 5, lines 1 through 4 and addressed language related to the low income license. She detailed there was a slightly different way for accounting for the specific license, which would be based on the most recent poverty guidelines set by the U.S. Department of Health and Social Services (instead of a set number) for the previous year. The next change was also on page 5 and related to the surcharge increase. The following change appeared on page 5, line 31 and related to nonresident hunting and fishing licenses. She stated that "there was now a 75 percent raise" in the licenses. She pointed to the difference shown on the entire page.

Ms. Pierson addressed a change on page 6 associated with nonresident big game tags, which would receive a fee increase of 100 percent. She moved to a change on page 9 related to the fish and game conservation decal. She read from lines 15 through 19 on page 6:

Subject to appropriation by the legislature, money received under this section may be used by the department to fund programs benefiting fish and wildlife conservation. Those programs may include fish and wildlife viewing, fish and wildlife education, and programs relating to fish and wildlife diversity.

[2:57:24 PM](#)

Ms. Pierson continued to address the changes in the CS. She highlighted language on page 9 (lines 21 through 31) related to the renewal of free licenses for seniors.

Co-Chair Thompson asked the bill sponsor to address the committee. He noted that public testimony would be heard at 9:00 a.m. the following Monday if it was not completed during the current meeting.

REPRESENTATIVE DAVE TALERICO, SPONSOR, explained that he had been inspired to offer the legislation because it was about the opportunity for Alaska residents to continue to enjoy the state's resources and to have the ability to participate in its hunting and fishing activities. He supported the changes made to the legislation and was happy with the CS.

Co-Chair Thompson noted that there were multiple people from the department available to answer questions.

Representative Kawasaki requested an updated fee spreadsheet showing current statute compared to different versions of the bill.

Co-Chair Thompson OPENED public testimony.

[3:01:09 PM](#)

MIKE PETERSON, SELF, JUNEAU, testified in opposition to pages 4 through 6 of the CS pertaining to resident and nonresident fees. He believed the resident and nonresident fees could be doubled across the board. He shared that he hunted in Oregon and paid \$148.50 for a nonresident hunting fee. He did not "blink an eye" at the charge because the money went towards keeping game up. He stated that it had been 20 years since the fees had been raised in Alaska and surmised that it could be another 20 years.

[3:03:05 PM](#)

MITCH FALK, SELF, JUNEAU, supported the bill's premise, but opposed the recent CS. He agreed that the state needed to start raising money for its fish and game efforts. He believed residents should be included. He stated that there was a lot of money left on the table through the federal Pittman Robertson funds. He detailed that everyone throughout the U.S. paid the taxes on all sporting goods. He stressed that other states would use the funds if Alaska did not. He relayed that the federal money was a three to one matching fund. He stated that the \$10 would bring in \$30. He spoke to the lifetime licenses. He stated that most people in their 60s had much more money than people in their 20s. He thought the time may have come to sunset the free licenses for seniors. He had been told there had been 87,000 of the free licenses issued. He surmised that if a

\$10 renewal fee was charged every few years it was not too much to ask, especially given that residents received the annual Permanent Fund Dividend.

[3:05:25 PM](#)

EDDY GRASSER, SAFARI CLUB INTERNATIONAL - ALASKA CHAPTER, JUNEAU, spoke in opposition to the current version of the bill. He relayed that a broad coalition of outdoor groups throughout the state had come together in support of an increase for fish and game licenses and tags. He appreciated the bill and Representative Talerico's efforts. He discussed that America had one of the best wildlife conservation programs in the world called the North American Model for Wildlife Conservation. He shared that the program had been instituted by various people including Teddy Roosevelt and others. He explained that a user-pay system had been created. He relayed that users had come before the legislature in the past to ask for an increase or to institute a license fee. He shared that sportsmen had talked Congress into creating the Pittman Robertson Act in 1937. He stressed that the act was passed during the Great Depression and individuals had much less money than people did in present times. He agreed with the prior testifiers that the fees in the CS were not high enough to capture federal Pittman Robertson funds. He believed the bill left significant money on the table in Pittman Robertson funds. He recommended increasing the fees.

[3:08:49 PM](#)

RON SOMERVILLE, TERRITORIAL SPORTSMAN, JUNEAU, discussed that there had been two different proposals during the current session that both looked for a certain amount of money to match general fund money that may disappear from sport fish and wildlife. He stated that there were currently \$12 million to \$13 million in general funds in the two divisions. He shared that he had been the deputy commissioner for the Department of Fish and Game (DFG) under the Walter Hickel Administration and had been responsible for the budget. He discussed that the divisions competed with others and had lost all of their general funding during his time with the department. He explained that the sportsmen wanted the programs to continue and were willing to pay for them. He explained that one of the proposals had included resident tag fees; however, sportsmen believed it was more workable to move forward

with a fairly sizable increase in license fees for residents and nonresidents in addition to an intensive management surcharge of \$10 for all hunting licenses, which would sunset in three years. He shared two graphs with the committee (copy on file). He explained that the first graph showed Pittman Robertson money that was available at a ratio of 3 to 1 for wildlife. He detailed that the obligated money for fish and game was not sufficient to match the federal money (there was about \$10 million in federal funds remaining on the table). He stated that there was a good chance a similar amount would remain in the current year.

Mr. Somerville respected the bill sponsor's option, but he felt it was necessary to increase fees even more. He stated that the Territorial Sportsmen had consistently communicated the amount of money they wanted to generate and how to achieve the goal. He stated that there were many things that federal aid was not capable of funding, such as predator control. He discussed that the legislature had passed a law called intensive management requiring the department, where possible, to control predators to produce more game (particularly moose and caribou) for harvest by Alaskans. He highlighted the second graph relating to the current predator control program. Additionally, federal aid would not fund conflicts related to endangered species. He stated that endangered species conflicts related to much of the economic development concerns the state had about the expansion of the listing of endangered species in the state. He stressed that the regulatory process was complicated in Alaska and most of the Board of Fish and Board of Game processes; information and education programs; and the Alaska National Interest Lands Conservation Act (ANILCA) implementation program could not be funded by federal aid. He spoke to federal overreach in the state. He stressed that it was important to generate enough fish and game money in order to pick up some of the critical programs. He emphasized that the contents of the current legislation was not sufficient.

Mr. Somerville stated that the issue was not about urban versus rural areas. He stated that the predator control programs had been very successful in some areas. He used Unit 9 as a successful area where a decline in the caribou population had been stopped. He wanted the legislature to tell the departments which one of the programs it would like to see disappear if the funds could not be generated.

He stressed that the programs were currently funded with general funds; it was necessary to generate additional fish and game funds to pick the programs up.

[3:15:11 PM](#)

Representative Kawasaki referred to Mr. Grasser's comment about raising the non-resident fees. He observed that the original outdoor caucus's suggestions had been much higher. He referred to case law in the bill packet addressing that it was legal to charge nonresidents higher fees than residents. He specifically spoke to elk hunting and noted that nonresidents paid 25 times more than a resident. He wondered if the numbers were similar or in line with those in other states.

Mr. Grasser replied that the organization he represented [Safari Club International] had offices nationwide. He relayed that there were states where the resident/nonresident ratio was far greater than 25 to 1. For example, a nonresident mule deer hunting tag in Arizona was \$2,500.

Representative Kawasaki stated that in version P [House Judiciary Committee CS] the suggestion was to increase the resident hunting fee to \$40 and the nonresident fee to \$125, which was roughly 3.5 to 4 times more. He believed the idea may be something to consider. He wondered if there were groups who thought that adding to the nonresident fees would reduce the number of out of state hunters in Alaska.

Mr. Grasser answered that as long as raises for nonresidents were reasonable he did not see it as a road block to participation in hunting activities in Alaska. He noted that another member of the public signed up to testify may have a better answer as he was currently a hunting guide.

Representative Gara spoke to the nonresident fees that seemed low. He asked if the group had a proposal on how much to increase the nonresident fees that would act as a disincentive to nonresident sportspersons.

Mr. Grasser answered that the coalition had suggested a 100 percent increase in nonresident tag fees, rather than the 75 percent in the CS. For example, a brown bear tag would increase from \$500 to \$1000. He surmised that it could

probably be even higher for brown bear tags, but not for all species. He noted there were other destinations people could hunt in North America; therefore, if the fee was increased too high, hunters would go to other locations. For example, hunting was available in British Columbia and Yukon Territories for Alaska Yukon moose, caribou, grizzly bear, Dall sheep, and mountain goat.

[3:19:20 PM](#)

MATT ROBUS, SELF, JUNEAU, relayed that he was a board member of Territorial Sportsmen Inc., which was a local group; additionally, previously he served as the director of the Division of Wildlife with DFG. He believed the bill did not increase fees enough. He opined that at a minimum, the increases in the bill needed to account for inflation that had occurred since the last license fee increase 1993, which amounted to a 63 percent correction. He detailed that a \$25 resident hunting license in 1993 was worth \$41 at present; however, the state was still only collecting \$25. He stated that the proposed increases in the CS and in the prior bill version were well below that level. He believed it was true that there would not be another chance to increase revenue to the Fish and Game Fund for another decade or two. He felt it was a substantial problem to not even catch up with inflation. He pointed out that the department needed to have sufficient money in the fund to match all of the federal Pittman Robertson and Dingle Johnson funds (wildlife and sport fish funds respectively) in order to maintain the heart of the survey and inventory programs that allowed the department to recommend to the boards how to set seasons and bag limits and to preserve as much opportunity as possible for Alaskans and nonresidents. He stated that if the federal money (that had increased radically in the past several years) was left on the table, the state would lose out on funds paid by sportspersons. The money was administered by the federal government, but it was generated by users. He reasoned that at a time when the state was having financial problems, the federal aid money would be a boon to the state. He believed the bill should be set at a level that would enable the state to take advantage of all of the federal money available.

Mr. Robus shared that in the early 2000s the Wildlife Division had been depleted of all general funds; however, currently 13 percent of the wildlife and sport fish budgets were composed of general funds. He believed the general

fund money would probably disappear; however, the jobs mandated by the legislature, such as intensive management, would not be possible without funding. He addressed the ability of the state to deal with endangered species initiatives or petitions (some of which he believed to be frivolous or mischievous) represented a real cost to the state. He detailed that it was difficult for the state to defend against them without the ability to do research to prove its side of the argument. He believed it was a unique moment, where an unprecedented coalition of outdoor oriented people were all asking to have the license and tag fees increased to the level shown in a coalition letter (copy on file). He noted that the coalition had included the fee level it believed was appropriate in order for the department to properly do its job and provide wildlife and fisheries opportunity to Alaskans and nonresident visitors.

Co-Chair Thompson gave the gavel to Vice-Chair Saddler.

[3:25:07 PM](#)

DOUG LARSEN, SELF, JUNEAU, believed the fees in the existing bill were not sufficient. He relayed that he had served as the director of the Division of Wildlife Conservation with DFG in the past. He relayed that based on his past work he had a good understanding of the budget challenges the division faced.

I support the coalition's proposed rates and feel that the amounts in the existing bill are insufficient as others have testified to. I've heard there may be concerns among legislators about not wanting to raise resident fees too much. As a resident I appreciate that. However, if you look at the resident and nonresident fees and contributions, nonresident hunters have historically made up about 20 percent of the hunters that come to Alaska each year; however, they contribute about 75 percent of the funds to the Fish and Game Fund. Residents on the other hand, make up about 80 percent of the hunters in Alaska each year, but they contribute about 25 percent of the funds to the Fish and Game Fund. A similar relationship exists with the sports fishing fees. This isn't so much a reflection of inappropriately high nonresident fees, in fact as you heard from Mr. Grasser and others, compared to other states, Alaska was pretty reasonable in that regard. Rather, it's a

reflection of inappropriately low resident fees. That's why I'm supporting the fee increases proposed by the coalition.

I retired last October from the Department of Fish and Game and my income is now less than it was while I was working. Nonetheless, like many other Alaskans, I'm willing and prepared to dig deeper into my pocket to pay a higher amount to ensure that programs like surveying inventory, intensive management, ESA, and access defense remain viable. This is not the first time, I think it's important to note, that this fee increase idea has come forward. Efforts were contemplated during Mr. Robus's tenure and during mine, and more recently during Doug Vincent-Lang's tenure as director. However, as has been noted, up until now we couldn't find agreement among the user groups. At this point, there is strong support for higher both resident and nonresident fees. In my mind, as Mr. Robus said, this is a huge difference from what we've faced in the past.

I think it's important to make a quick note about the IM surcharge concept. I'm not sure whether IM surcharge is the correct terminology to use, quite frankly I know that some people get very anxious when they hear the term intensive management. Just like others get anxious when they hear the term conservation pass or decal. The reality is that funds that go into the Fish and Game Fund will and should be used for surveying inventory, intensive management, and wildlife diversity. Intensive management was a broader application than just predator control; it involves habitat assessment, predator/prey assessments to determine whether in fact predator control would even be a useful way to increase populations as Mr. Somerville related earlier. The state receives \$2 million to \$3 million annually from federal state wildlife grants funds. Those funds, like Pittman Robertson must be matched by state funds. Absent sufficient GF or CIPs that means a need for more GF funds, which means sufficient increases in the fees. Money deposited into the Fish and Game Fund from a conservation pass or decal can be used to match state wildlife grants (SWG) dollars. In the past SWG dollars were matched by state funds to conduct research on a variety of un-hunted species and has been successful

at preempting ESA listings. Examples include, yellow-billed loons, black oyster catchers, bats, [indecipherable], murrelets, stellar sea lions. More recently funds are being used to study Southeast Alaska wolves to inform a petition to list a species as threatened or endangered under the Endangered Species Act. Listings of game or non-game species have huge implications for hunting and trapping as well as for mineral and well exploration and extraction and timber harvesting. Obviously huge economic implications.

Mr. Chairman, the last thing I want to highlight is, I had the privilege a few months ago to serve on the governor's transition team for wildlife. While we had a number of individuals that came to the table with very different opinions about things and backgrounds, the thing was that there were several points that there was consensus and agreement on. That included the need to increase and diversify revenue to the Division of Wildlife Conservation specifically (it was a wildlife committee). The conservation pass that has been contemplated is a way to do that; to diversify and bring other users into fold to help with the funding. Also, the group said that there was a need to expand and enhance intensive management. Specifically, expand intensive management aspects not just for predator control, but for habitat assessment and to look at the predator/prey relationships that are so important to that whole program. That's what intensive management entails. That's where the concept of an IM surcharge, or a wildlife conservation surcharge, or something to that effect could be very valuable. That's the reason for its inclusion in some of the discussions that have occurred relative to the fee increases. Mr. Chairman and committee members, thank you for the opportunity to offer testimony.

[3:31:12 PM](#)

THOR STACEY, ALASKA PROFESSIONAL HUNTERS' ASSOCIATION, JUNEAU, shared information about the association that represented hunting guides in Alaska. He communicated that the state's hunting guiding industry brought in approximately \$80 million per year; half of the economic effects were felt in rural Alaska. He relayed that according to a recent McDowell Group report, 89 percent of

Alaska's active hunting guides were Alaska residents; however, 95-plus percent of clients were nonresidents. He stated that as part of the coalition of sporting groups, the association was comfortable supporting a 100 percent increase in nonresident hunter license and tags. Additionally, the association was comfortable supporting or slightly exceeding the inflation rate from 1993 until present. He explained that guides had to buy a resident hunting and professional hunting license biannually. There were two primary concepts at the core that the association participated in continuously, including federal overreach. He stated that without an adequately funded DFG and without the ability to exert the association's role as stewards of Alaska's resources, land, and animals, the state fell victim to federal encroachment. He addressed that without the ability to self-fund wildlife programs, the guides were at the mercy of other factors that contribute to the general fund, such as oil taxation. The association wanted good, sound wildlife management to continue regardless of oil flow and pricing. He stated that by increasing the fees to the higher amount, sportsmen had the ability to isolate the state's programs from the vagaries of oil production and price.

[3:33:56 PM](#)

AL BARRETT, SELF, FAIRBANKS (via teleconference), testified in opposition to the current version of the bill. He addressed what had been communicated about the CS earlier. He had heard that page 4, Section 10 would be the current proposal; however, page 5 included language about gross income of less than \$29,800. He stated that it had been put on the record that some of the language would be removed from the bill. He asked if his assessment was correct.

Vice-Chair Saddler asked for Mr. Barrett to repeat the question. Mr. Barrett believed it had been put on the record that Section 10 would be amended by Section 11.

JOSHUA BANKS, STAFF, REPRESENTATIVE DAVE TALERICO, believed there may have been a drafting error. He relayed the sponsor's intent to use the language under Section 10. He thought a conceptual amendment may be necessary.

Vice-Chair Saddler asked for verification that the sponsor's intent was to have the language in Section 10 remain. Mr. Banks replied in the affirmative.

Mr. Barrett was glad the issue had been cleared up. He shared that he had only hunted outside of Alaska once; therefore, he did not know about the affordability of hunting in other locations. He shared that his income was very limited, but he had looked at the concept of increasing licensing fees for the past couple of years. He believed many nongovernmental organizations and legislators had looked at the 50 or so licenses sold in the state with blinders on. He discussed that there were many licenses sold for \$5 or less (e.g. waterfowl, low income, and drawing hunts). He continued that it cost the department approximately \$2 just to issue and produce the licenses, which was only a net of \$3. He communicated that the cost of most drawing hunts was between \$5 and \$10. He stressed that licenses were too cheap. He provided examples about how to increase funds by almost \$1 million. He suggested combining the 3, 7, and 14-day nonresident licenses. He believed revenue could be increased by \$513,000. He discussed a similar strategy with the king salmon stamp that could generate \$465,000. He believed the low income should be reconsidered; it was a \$5 that cost \$2 to produce. He believed a \$10 to \$20 increase in the specific license would be feasible.

[3:40:23 PM](#)

MIKE TINKER, SELF, ESTHER (via teleconference), shared that he had retired from a 25-year guiding career in 2000 and had been a member of the Fairbanks Advisory Committee for over 25 years. He relayed that he and most of his colleagues supported raising license and tag fees. However, he believed there were some black holes. He recommended using it as an opportunity for other changes and looking at the whole picture. He applauded Representative Talerico's efforts; however, he believed there were some important focus issues. For example, he stated a change would be needed in AS 16.05.130(d) in order to keep the concepts that Mr. Somerville and Mr. Larson discussed. He explained that currently there was a requirement that license fees directly benefitted the user. The legislation impacted over 250,000 Alaskan license purchasers and the coalition represented approximately 4 percent of that number. He implored the committee to make some room for the other 96 percent of users. For example, many of the advisory committees had been waiting for the bill to settle. He spoke to the concept of making DFG healthy. He reasoned

that a nonresident musk ox tag could be increased to \$35,000 because the state had not sold one in eight years. He continued that there were many other types of licenses or tags that the state only sold 10 to 20 per year. He believed it was important to determine how many of each license sold before increasing a fee by 100 percent or other. He believed the bill should provide the starting point for the discussion. He noted that there were many other ways to raise money without making huge increases to fees. He stated that currently most of the trapping licenses sold were sold as part of combinations. He stated that when the combination tag fee was increased to the point where a person could save the money they would have put into supporting trapping by paying for hunting and fishing, the state would lose the money. He appreciated Representatives Talerico, Munoz, and Keller for putting the bill forward.

[3:45:04 PM](#)

WAYNE KUBAT, SELF, WASILLA (via teleconference), spoke in support of the bill. He read from a statement:

I have lived year-round in Alaska for 39 years, 31 in the Mat-Su Valley. I became a registered guide in 1986 and started my own guide business that same year. Almost all of the money my clients pay for their hunts is new money to Alaska and stays here. License fee increases will always be a tough sell, but with falling oil revenues I hope you will move this bill on with sufficient increases to adequately fund Alaska's wildlife management into the future. The \$10 intensive management surcharge is a great idea. I'm disappointed not to see it in this final draft. The wildlife initiatives of the 90s stop same-day airborne wolf hunting and moose populations plummeted throughout the state. General moose seasons where I guide closed for several years. Rural residents of Skwentna had to eat black bear meat instead of moose. I'm a resident hunter too. Even if resident licenses double a 12-month license to hunt multiple species of some of the world premiere big game animals will still cost less than a 20 count box of 338 Winchester Magnum ammunition. What a bargain. As a longtime Alaskan guide I support the concept of a minor percentage of nonresident hunters paying the bulk of our wildlife management. I think Alaska's wildlife and residents

benefit from this arrangement. I can live with increasing nonresident tag fees even up to 100 percent if it results in effective game management. Thank you.

3:46:48 PM

GARY MCCARTHY, SELF, CHUGIAK (via teleconference), shared that he had moved to Alaska in 1972 in pursuit of hunting and fishing. He supported increasing the fees above the figures in the CS. As a sheep hunter, he was saddened to see the number and quality of the sheep declining over the years. He stated that the department was reluctant to act on many proposals put forward in the past year because there was not adequate scientific data to support what was occurring with the state's sheep populations. He stated that following the crash in oil prices in the late 1980s almost all sheep studies had been eliminated. He continued that fortunately because of federal Pittman Robertson funds the studies had picked up in the past several years. He hated to see the money go away and to have inadequate wildlife management just because the information was not available.

3:48:31 PM

DICK ROHRER, SELF, KODIAK (via teleconference), shared that he had moved to Alaska 50 years earlier. He spoke in support of the previous testimony provided to the committee by coalition members. He believed resident fees should be higher than those listed in the current CS. He had no hesitation to pay higher fees. He thought it was good idea to look at the senior license every three years. He noted that if the legislature chose to eliminate the free senior license he would not be concerned. His greatest concern was federal overreach. He stated that if there was not enough money to properly fund management statewide he could assure that federal agencies would take over management.

3:50:25 PM

SAM ROHRER, SELF, KODIAK (via teleconference), shared that he had a guiding license and was president of the Alaska Professional Hunters' Association. He agreed with most of the testimony provided during the present meeting. He stated that there had not been an increase to the licensing fee since 1993, which he believed was long overdue. He did not believe the current CS increased the fees sufficiently.

He strongly encouraged the idea of the \$10 intensive management surcharge on all hunting licenses sold. He stressed that the current \$5 increase for resident hunting licenses was insufficient. He believed a substantive increase was needed and recommended an increase of at least \$15. He stated that a resident license for \$40 was still less than a box of ammunition; it was affordable.

[3:52:16 PM](#)

MIKE CRAWFORD, SAFARI CLUB INTERNATIONAL, SOLDOTNA (via teleconference), believed the license fees in the CS should be increased. He agreed with testimony provided by Mr. Somerville and Mr. Grasser. He opined that the Pittman Robertson funds should not be left on the table. He spoke against federal overreach. He believed DFG needed to be kept informed. He thought that most hunters and fishermen in the state were more than willing to pay their way. He communicated that a goat, sheep, or moose tag for nonresidents in Washington State was \$1,652, a deer tag was \$531, a small game tag was \$183, a freshwater fishing license was \$84.50, a saltwater license was \$35, and so on. He noted that Montana and Idaho also had much higher fees. He believed nonresident hunters should help to pay for the management of Alaska's wildlife and fish resources.

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KEITH BAXTER, KENAI RIVER SPECIAL MANAGEMENT ADVISORY BOARD, SOLDOTNA (via teleconference), encouraged the committee to include a sockeye stamp in the bill. He stated that currently the bill proposed prudent increases to existing license fees and the board believed the inclusion of a sockeye stamp would also be a prudent measure. He shared that in recent years many anglers who had previously targeted king salmon on the Kenai River had shifted their focus to sockeye. He stated that the growing interest in the sockeye fishery presented management, habitat, and enforcement challenges that required funding to address. He reasoned that a statewide sockeye stamp would go a long way towards providing the needed funding to address the challenges. The board believed that adequate funding for the rehabilitation, enhancement, and development of Alaska's sport and personal-use fisheries were essential to ensure their sustained health going forward. He believed it was imperative that the vitality of Alaska's fisheries was not jeopardized by fiscal uncertainty in its state

government. The board hoped that a statewide sockeye stamp modeled closely after the existing chinook stamp would provide a secure source of funding for the essential fisheries programs well into the future.

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NANCY HILLSTRAND, SELF, HOMER (via teleconference), shared that she was the owner of a seafood processing plant in Homer; the business had been a fisheries corporation for 51 years and it paid into the federal Dingle Johnson and Pittman Robertson funds. She relayed that she did not harvest wildlife or fish. She proposed a license for people not harvesting wildlife of around \$5. She explained that it was a matter of trying to bring in funds from out of state visitors and for Alaskan wildlife viewers. She discussed that viewers brought \$231 million in tax revenue to the state, representing double the amount brought in by harvesters. She supported bringing in the group of people to diversify and help to match the Pittman Robertson funds. She believed the state was missing a huge segment of income derived from people that utilize wildlife, but did not harvest them. She continued that individuals who photographed animals, made money, and guided people to view wildlife did not pay anything into the coffers. She stated that there were 12,000 non-game species. She elaborated that the wildlife action plans and state wildlife grants needed matching funds. She stated that if there was some way to keep common species common and prevent animals from reaching endangered status, the state would prevent federal oversight. She relayed that there were 18 million birders in the U.S. who traveled. She stated that wildlife viewers brought \$2.7 billion in spending to Alaska. She reasoned the visitors could pay a \$5 license fee. She did not believe wildlife viewers understood how it worked because they had never been given the opportunity to contribute to wildlife management. She did not believe the license would cost the department anything. She reiterated her support for a viewer license and a wildlife conservation decal. She agreed that the state currently had "bargain basement" license fees that needed to be increased. She supported the idea of the inclusion of a sockeye stamp in the bill.

Representative Wilson queried how to charge a tax for animal viewing. She wondered if it would include a tour-type setting. She asked if any other states had a similar tax.

Ms. Hillstrand replied that many other states had different programs such as license plates, badges, licenses, and decals. She stated that the primary point was her belief that the state should market to the individuals. She believed the state could figure out a way to attach some sort of fee to the numerous viewers brought to Alaska by the cruise ship industry.

Vice-Chair Saddler relayed that public testimony on the bill would be continued on April 13, 2015. He discussed the schedule for the following day.

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ADJOURNMENT

4:01:41 PM

The meeting was adjourned at 4:01 p.m.