

# Fiscal Note

State of Alaska  
2024 Legislative Session

Bill Version:	CSHB 195(FSH)
Fiscal Note Number:	3
(H) Publish Date:	4/3/2024

Identifier: HB195-DFG-CFEC-02-02-24  
 Title: COOK INLET: NEW ADMIN AREA;PERMIT BUYBACK  
 Sponsor: RUFFRIDGE  
 Requester: (H)Fisheries

Department: Department of Fish and Game  
 Appropriation: Commercial Fisheries  
 Allocation: Commercial Fisheries Entry Commission  
 OMB Component Number: 471

**Expenditures/Revenues**

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

	FY2025 Appropriation Requested	Included in Governor's FY2025 Request	Out-Year Cost Estimates				
			FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
<b>OPERATING EXPENDITURES</b>	<b>FY 2025</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>	<b>FY 2029</b>	<b>FY 2030</b>
Personal Services	91.1		91.1				
Travel	10.0						
Services	5.0		2.0				
Commodities	2.0		2.0				
Capital Outlay							
Grants & Benefits							
Miscellaneous							
<b>Total Operating</b>	<b>108.1</b>	<b>0.0</b>	<b>95.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Fund Source (Operating Only)**

1061 CIP Rcpts (Other)	108.1		95.1				
<b>Total</b>	<b>108.1</b>	<b>0.0</b>	<b>95.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Positions**

Full-time							
Part-time							
Temporary	1.0		1.0				

**Change in Revenues**

None							
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Estimated SUPPLEMENTAL (FY2024) cost:** 0.0 *(separate supplemental appropriation required)*

**Estimated CAPITAL (FY2025) cost:** 52,000.0 *(separate capital appropriation required)*

**Does the bill create or modify a new fund or account?** No  
*(Supplemental/Capital/New Fund - 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 If yes, by what date are the regulations to be adopted, amended or repealed? 11/01/24

**Why this fiscal note differs from previous version/comments:**

Not applicable; initial version.

Prepared By:	Glenn Haight, Commissioner	Phone:	(907)790-6942
Division:	Commercial Fisheries Entry Commission	Date:	02/02/2024 09:00 AM
Approved By:	Glenn Haight, Commissioner	Date:	02/02/24
Agency:	Commercial Fisheries Entry Commission		

## FISCAL NOTE ANALYSIS

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## Analysis

This bill 1.) separates the Cook Inlet set gillnet permit holder category into two new administrative areas, 2.) conducts an election for permit holders in the new administrative area to determine if they would like a buyback program, and 3.) implements a buyback program for the new administrative area.

If passed, CFEC will -

- \* conduct a regulation project in the fall of 2023 that directs the three aforementioned bill components
- \* by November hold an application period to determine permit holders for a new administrative area in Cook Inlet
- \* by January 1, determine permit holders for new Cook Inlet administrative area and remaining Cook Inlet area
- \* by February develop and mail election ballots to permit holders in new area
- \* in February hold informational meetings in the Kenai Peninsula
- \* post election notices in areawide newspaper
- \* by April 1 conduct election
- \* by early May announce election results

Assuming permit holders approve a buyback program in an election, CFEC will -

- \* receive and administer external funds for a buyback
- \* if funding is received, administer a buyback application period
- \* adjudicate appeals for buyback applicants denied into the buyback
- \* conduct lottery of successful applicants to the buyback
- \* administer payments to successful lottery winners to the buyback
- \* retire those permits that are selected through the buyback lottery
- \* report back to the Legislature on the program

It is anticipated the work would require an additional temporary position to work on the program in CFEC's adjudications section. CFEC would likely hire a paralegal to assist in the work. It is anticipated the program will take two fiscal years to complete. Other anticipated costs include travel, advertising, publications, and office set-up.

The bill determines the buyback amount and allows for administrative expenses to be paid from the external source assumed to be federal funding. Assuming the maximum number of permits (200) are purchased for \$260,000 as specified by the bill through up to three years, \$52 million of federal receipt authority will be needed.

Administrative costs will be funded through the capital appropriation via Capital Improvement Project (CIP) receipts.

The current version of the bill maintains dates from last year. It is assumed if and as the bill moves forward those dates will be amended to the current year.