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278

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date 3/15/84

REQUEST

Bill/Resolution No: HCS CSSB 278 (Res)
 Title: Establish waterfowl conservation stamp and fee provide effective date
 Sponsor: Senate Resource Committee
 Requestor: Senate Finance
 Date of Request: _____

FISCAL DETAIL

Agency Affected: Revenue
 Program Category Affected: Revenue Collection and Management
 BRU, Program or Subprogram(s) Affected: Public Services Division BRU

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
<u>OPERATING</u>						
100 PERSONAL SERVICES	-	-	-	-	-	-
200 TRAVEL	-	-	-	-	-	-
300 CONTRACTUAL	-	-	-	-	-	-
400 SUPPLIES	-	-	-	-	-	-
500 EQUIPMENT	-	-	-	-	-	-
600 LANDS & STRUCTURES	-	-	-	-	-	-
700 GRANTS, CLAIMS	-	-	-	-	-	-
800 MISCELLANEOUS	-	-	-	-	-	-
<u>TOTAL OPERATING</u>	<u>- 0 -</u>	<u>- 0 -</u>	<u>- 0 -</u>	<u>- 0 -</u>	<u>- 0 -</u>	<u>- 0 -</u>
<u>CAPITAL</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>REVENUE</u>	<u>- 0 -</u>	<u>- 0 -</u>	<u>- 0 -</u>	<u>- 0 -</u>	<u>- 0 -</u>	<u>- 0 -</u>

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
<u>TOTAL</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

POSITIONS:

FULL-TIME	-	-	-	-	-	-
PART-TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attached.

Prepared By: Martin J. Richard
 Division: Public Services Division

Phone: 465-2392
 Date: 3/15/84

Approved by Commissioner: [Signature]
 Agency: Department of Revenue

Date: 3/15/84

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: March 2, 1984

REQUEST

Bill/Resolution No.: SB 278
 Title: Establishing a waterfowl stamp
 Sponsor: Rodev, Kerttula, Josephson
 Requestor: Senate Resources
 Date of Request: _____

FISCAL DETAIL

Agency Affected: Fish and Game
 Program Category Affected: NRMEC
 BRU, Program or Subprogram(s) Affected: Game

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 84	FY 85	FY 85	FY 87	FY 88	FY 89
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING						
CAPITAL						
REVENUE		300.0	300.0	300.0	300.0	300.0

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: Beverly Roame, Director

Phone: 465-4120

Division: Administration

Date: March 2, 1984

Approved by [Signature]

Date: 3-2-84

Agency: Fish and Game

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

12/1/83



Alaska State Legislature

HOUSE OF REPRESENTATIVES
COMMITTEE ON RESOURCES

JOHN RINGSTAD, CO-CHAIRMAN
RICHARD SHULTZ, CO-CHAIRMAN
POUCH V
JUNEAU, ALASKA 99811
(907) 463-3715

TO: House Resources Committee Members

FROM: House Resources Staff

DATE: March 10, 1983

RE: House CS for CS for SB 278, establishing a waterfowl stamp and fee

I. Overview

SB 278 creates an Alaskan Waterfowl Stamp (duck stamp) Program. Basically, the bill would allow for a five dollar fee to be levied on people wishing to hunt waterfowl, and also people who wish to collect these stamps and limited edition prints. The program is patterned after the federal duck stamp program, which has been in existence since the 1930's. This federal program has been responsible for retention and improvement of millions of prime wetlands.

Revenue from sales of an Alaskan state duck stamp and art prints could be used to protect key Alaska wetlands and also to improve public access, enhance habitats in important areas, manage or even create goose populations, support selected research projects, and fund other necessary management activities, according to Fish & Game.

II. Bill History

HB 351, the House version of the duck stamp bill, was introduced by Rep. Fritz last year. SB 278 was introduced at the same time by Senator Rodey. Because the senate bill has worked its way through the legislative process ahead of the House version, the sponsor of the House bill decided to use the Senate bill as the vehicle for establishing this program.

The Senate bill was amended on the Senate floor by Senator Josephson to include "limited edition prints" to be sold by the Dept. of Fish & Game along with the sale of stamps. With this amendment, not only will waterfowl stamps be created and sold, but also limited edition prints of the stamp will be available for sale as artwork to hunters and the public. However, this makes the program unconstitutional.

There is no problem in authorizing the creation and sale of limited edition prints. There is, however, a problem in dedicating the funds received from the sale of these prints to the fish and game fund. See attached memo from the AG's office dated March 29.

Therefore, the work draft in front of you is the exact version of the bill which Senate Resources passed from their committee. It does not include the sale and dedication of revenue of limited edition prints.

Sec. 1

Dedicated Fund?

Sec. 4

- Matching Money

Using Points - Eliminating
that or leaving it to
the discussion of Fish &
Game?

HOUSE RESOURCES COMMITTEE
LETTER OF INTENT
FOR
HCS CSSB 278 (Resources)

HCS CS SB 278 (Resources) establishes a state waterfowl conservation program.

It is the intent of the legislature that the production, distribution, and sale of associated limited edition prints be contracted to an entity who:

1. holds the state harmless of any obligation;
2. guarantees as part of the contract that the state will receive a minimum return; and
3. all rights to additional use of the art work remain with the state.

Rep. John Ringstad, Co-Chair
House Resource Committee

DRAFT

Version #4
Folta
4/19/84 J

Original sponsors: Rodey, Kerttula
and Josephson

1 IN THE SENATE BY THE RESOURCES COMMITTEE

2 HOUSE CS FOR CS FOR SENATE BILL NO. 278 (Resources)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act establishing a waterfowl conservation stamp
7 and fee; and providing for an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. AS 16.05.110 is amended to read:

10 Sec. 16.05.110. COMPOSITION OF FUND. The fish and game fund
11 shall be made up of the following money and other money the legisla-
12 ture appropriates, that [WHICH] shall be deposited and retained in the
13 fund until expended:

14 (1) money received from the sale of state sport fishing,
15 hunting, and trapping licenses, [AND] special permits, and waterfowl
16 conservation tags purchased by hunters;

17 (2) proceeds received from the sale of furs, skins, and
18 specimens taken by predator hunters and other employees;

19 (3) money received in settlement of a claim or loss caused
20 by damage to the fish and game resources of the state;

21 (4) money received from federal, state, or other govern-
22 mental unit, or from a private donor for fish and game purposes;

23 (5) interest earned upon money in the fund;

24 (6) money from any other source.

25 * Sec. 2. AS 16.05.130 is amended by adding a new subsection to read:

26 (b) Money accruing to the state from waterfowl conservation tag
27 fees from hunters may not be diverted to a purpose other than (1) the
28 conservation and enhancement of waterfowl; (2) the acquisition, by
29 lease or otherwise of wetlands that are important for waterfowl and

1 public use of waterfowl in the state; (3) waterfowl related projects
 2 approved by the commissioner; and (4) the administration of the water-
 3 fowl conservation program. The department shall maintain a state
 4 waterfowl tag fee account within the fish and game fund to permit
 5 separate accounting records for the receipt and expenditure of money
 6 derived from the sale of waterfowl tags. The department shall report
 7 annually to the public on the use of money derived from waterfowl con-
 8 servation tags and limited edition prints.

9 * Sec. 3. AS 16.05.340(a) is amended by adding a new paragraph to read:

10 (17) Waterfowl conservation tag \$ 5

11 (A) A person may not engage in waterfowl hunting
 12 without having the current year's waterfowl tag in the person's
 13 actual possession, unless that person

14 (i) qualifies for a 25 cent license fee under
 15 AS 16.05.340(a)(6);

16 (ii) is a resident under the age of 16;

17 (iii) is 60 years of age or older and has been a
 18 resident for at least one year;

19 (iv) is a disabled veteran eligible for a free
 20 license under AS 16.05.341.

21 (B) The Board of Game shall by regulation exempt from
 22 the requirement for a waterfowl conservation tag waterfowl hunt-
 23 ing in areas of the state not likely to benefit from programs
 24 described in AS 16.05.130(b)(2) - (4).

25 * Sec. 4. AS 16.05.350 is amended to read:

26 Sec. 16.05.350. EXPIRATION OF LICENSES AND TAGS. Licenses and
 27 tags required under AS 16.05.330 - 16.05.430, except the visitor's
 28 special sport fishing license, [AND] the resident trapping license,
 29 and the waterfowl conservation tag, expire at the close of December 31

1 following issuance. The resident trapping license expires at the
2 close of September 30 of the year following the year in which the
3 license is issued. The waterfowl conservation tag expires at the
4 close of January 31 of the year following the year of issue of the
5 tag.

6 * Sec. 5. AS 16.05 is amended by adding a new section to read:

7 Sec. 16.05.826. WATERFOWL CONSERVATION STAMP PROGRAM. (a) The
8 waterfowl conservation tag authorized in AS 16.05.340(a)(17) shall be
9 produced annually in stamp form by the Department of Revenue in an
10 amount the department considers appropriate. The department shall make
11 stamps available for the creation of waterfowl conservation limited
12 edition prints and shall provide for the sale of stamps and prints to
13 the public.

14 (b) The Department of Revenue shall provide by appropriate means
15 for the selection of the design of the annual waterfowl conservation
16 stamp and for the production and sale of the stamps.

17 (c) The Department of Revenue may contract to others the perfor-
18 mance of the department's responsibilities under this section. A
19 contract may include provisions for advance payment or reimbursement
20 for services performed under the contract. All costs incurred under
21 this section may be paid from the fish and game fund.

22 * Sec. 6. LEGISLATIVE INTENT. It is the intent of the legislature that
23 a sum equal to the amount collected each year from the sale of waterfowl
24 conservation stamps and limited edition prints to the public under AS 16.-
25 05.826 be appropriated to the department for the purposes listed in AS 16.-
26 05.130(b).

27 * Sec. 7. Except for sec. 3 of this Act, this Act takes effect immedi-
28 ately in accordance with AS 01.10.070(c).

29 * Sec. 8. Section 3 of this Act takes effect January 31, 1985.

Estimated revenues and costs for a waterfowl conservation stamp or stamp/art print program

INCOME

<u>Stamps & Prints</u>		<u>Stamps only</u>
1,350,000	Sale of 10,000 art prints @ \$135	0
50,000	Sales of stamps @ \$5.00 to accompany prints (publisher purchase)	0
85,000	Sales of stamps @ \$5.00 to 17,000 waterfowl hunters	85,000
25,000	Sales of stamps @ \$5.00 to 5,000 stamp collectors	25,000
<hr/>		<hr/>
1,510,000	Gross revenue	110,000

COSTS

1,050,000	Publisher costs for advertising, production, distribution, artist payment and profit (negotiable).	8,000
31,500	Dept. of Revenue costs of distribution and accounting.	31,500
17,000	Dept. of Revenue appropriation for Additional Compensation to license vendors @ \$1.00/stamp for 17,000 hunters.	17,000
4,300	License vendor commission of \$0.25/stamp on 17,000 hunter stamps.	4,300
10,000	Dept. of Fish and Game, and Administration staff and operations costs in coordination and contracting.	5,000
<hr/>		<hr/>
1,112,800	Total Costs	65,750
397,200	Net revenue	44,250

Testimony

from Mary Bishop, SR 20145-D, Fairbanks, AK 99701 455-6151, representing self

Re: CSSB 278

To House Resources, committee meeting 3 p.m. 4/10/84

I wish to support the concept of a state waterfowl stamp and fee. And I am supportive of these funds being used for the conservation and enhancement of waterfowl as would be provided by Section 2, (b)(1) of this bill.

I do wonder, though, why people who benefit from programs which provide for the conservation and enhancement of waterfowl (Section 2 (b)(1)) but not from the provisions of Section 2 (b)(2-4) "shall" be exempt, by regulation, from the requirement for purchasing the stamp. Must the Board of Game decide which rural areas of the state benefit from (b)(1-4) and which only benefit from (b)(1-3). If this must be done, then the legislature should do it, not the Board of Game. That's passing the buck, and a very unpleasant buck it is.

I strongly recommend deleting Section 3, part (d).

BILL SHEFFIELD, GOVERNOR

REPLY TO:

1031 W 4th AVENUE
SUITE 200
ANCHORAGE, ALASKA 99501
PHONE: (907) 275-3550

1st NATIONAL CENTER
100 CUSHMAN ST.
SUITE 400
FAIRBANKS, ALASKA 99701
PHONE: (907) 452-1568

POUCH K - STATE CAPITOL
JUNEAU, ALASKA 99811
PHONE: (907) 465-3600

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

March 29, 1984

The Honorable John Ringstad
and Richard Shultz, Chairmen
House Resources Committee
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Re: CSSB 278 (RES) am
(Waterfowl Stamp Act)

Dear Representatives Ringstad and Shultz:

This letter is to bring to your attention a constitutional problem that exists in the above-referenced bill, which establishes a waterfowl stamp and fee. Several forms of the bill have violated article IX, section 7, of the Alaska Constitution, which prohibits dedicated funds under certain circumstances. On March 24, 1984, we wrote to Senator Fahrenkamp, concluding that the Committee Substitute for Senate Bill 278 was constitutional as drafted. (A copy of this letter is attached.)

I have since learned that the bill was twice amended on the floor of the Senate on March 23, 1984, before it was passed. The second amendment made on March 23, 1984, makes the bill once again unconstitutional. This amendment added the concept of "limited edition prints" to the bill. Now, not only will waterfowl stamps be created and sold, but also limited edition prints of the stamp will be available for sale as artwork to hunters and to the public.

There is no problem in authorizing the creation and sale of limited edition prints. There is, however, a problem in dedicating the funds received from the sale of these prints to the fish and game fund. The only money that can be dedicated to this fund is money received from the sale of licenses, permits, and stamps that are required by law to be possessed by a person engaging in sport or recreational hunting or fishing. Hunters need not possess limited edition prints to engage in waterfowl hunting, and thus the money received from the sale of these prints cannot be dedicated to the fish and game fund.

The Honorable John Ringstad
The Honorable Richard Shultz
Re: CSSB 278

March 29, 1984
Page 2

Instead, money received from the sale of these limited edition prints should be treated the same as money received from the sale of waterfowl stamps to the public. Section 4 of this bill expresses a legislative intent that a sum equal to the amount collected each year from the sale of waterfowl stamps to the public be appropriated to the department for the purposes listed in AS 16.04.130(b). This is what should be done with the limited edition prints, as well, to avoid the dedicated funds problem.

Therefore, to avoid an unconstitutional dedication of funds, CSSB 278 (RES) am should be amended as follows:

Page 1, line 16: delete "and limited edition prints"

Page 1, lines 26-27: delete "and sales of limited edition prints"

Page 2, lines 3 and 4: delete "and print"

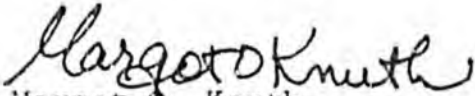
Page 2, lines 6-7 and 8: delete "and prints"

Page 2, lines 11 and 30: before "prints" insert "limited edition."

If you have any questions or comments, please do not hesitate to contact us.

Sincerely,

NORMAN C. GORSUCH
ATTORNEY GENERAL

By: 
Margot O. Knuth
Assistant Attorney General

MOK:dln

Attachment

cc: Arthur H. Peterson

March 24, 1984

The Honorable Bettye Fahrenkamp
Chairperson, Senate Resources Committee
Alaska State Legislature
Pouch V
Juneau, AK 99811

Re: CSSB 278 (Waterfowl
Conservation Stamp Act)

Dear Senator Fahrenkamp:

This letter is in response to your oral request for advice on March 23, 1984, as to the constitutionality of CSSB 278, establishing a waterfowl conservation stamp and fee. The only constitutional issue raised by this bill is whether it violates article IX, section 7, of the Alaska Constitution, which prohibits dedicated funds under certain circumstances. Article IX, section 7, of the Alaska Constitution provides as follows:

The proceeds of any state tax or licence shall not be dedicated to any special purpose, except as provided in section 15 of this Article or when required by the federal government for state participation in federal programs. This provision shall not prohibit the continuance of any dedication for special purposes existing upon the date of ratification of this section by the people of Alaska.

Upon reviewing CSSB 278, we conclude that it is constitutional as drafted.

The Alaska Constitution specifically excepts from the prohibition against dedicated funds any dedication of funds required by the federal government as a condition to the state participating in a federal program. The Pittman-Robertson Act, 16 U.S.C. §§ 669-669i, is a federal program under which states may receive money for the restoration of wildlife. As a condition to participating in this program, the Act requires the state to pass a law prohibiting the diversion of license fees paid by hunters for any other purpose than the administration of the Fish and Game Department. A regulation promulgated under the

Pittman-Robertson Act provides that only those licences that are for the "express purpose of permitting the holder to hunt or fish for sport or recreation" may be used as the basis for matching funds under the Act. 50 C.F.R. 80.10(c)(1). This means that the only fees that must be dedicated by law in order for Alaska to participate in the program under the Pittman-Robertson Act are those fees expressly required by the state to be paid for the privilege of hunting or fishing for sport or recreation. Accordingly, only those fees expressly required for hunting or fishing may be dedicated under the Alaska Constitution.

CSSB 278 requires possession of the waterfowl conservation stamp before a person may engage in waterfowl hunting. It is only the money received from the sale of the waterfowl conservation stamps to hunters that is dedicated under this bill. Monies received from the sale of waterfowl conservation stamps to the public, as opposed to waterfowl hunters, are not dedicated by this bill. Instead, section 4 of the bill expresses a legislative intent that a sum equal to the amount collected each year from the sale these stamps to the public be appropriated to the Department of Fish and Game. This legislative intent does not constitute a dedication of those funds.

We therefore conclude that CSSB 278 does not present any constitutional problems. The same cannot be said for the original SB 278, because that bill did not require waterfowl hunters to obtain the stamp as a condition to engaging in waterfowl hunting. Without this condition, the state would not qualify for participation in the Pittman-Robertson Act, and the dedication of funds would then be unconstitutional under Art. IX, sec. 7, of the Alaska Constitution.

Sincerely,

NORMAN C. GORSUCH
ATTORNEY GENERAL

By: *Margot O. Knuth*
Margot O. Knuth
Assistant Attorney General

MOK:bap

cc: Arthur H. Peterson
Assistant Attorney General

MEMORANDUM

State of Alaska

TO: Dennis D. Kelso
Deputy Commissioner

DATE: February 17, 1984

FILE NO:

TELEPHONE NO: 267-2231

Lew Pamplin
FROM: Lew Pamplin
Director
Division of Game
Department of Fish and Game

SUBJECT: Waterfowl
Conservation Stamp

Attached is a report entitled "State Waterfowl Conservation Stamp/Print Programs - Considerations for Alaska." This report was completed by Mr. Tom Rothe, our waterfowl program coordinator. The report contains the background, justification, and recommendations concerning an Alaskan waterfowl conservation stamp. The recommendations form the basis for the Department's position on this issue.

Enclosure

cc: P. McGuire
B. Hinman
T. Rothe
Regional Supervisors, Game Division
Division Directors
Board of Game

PUBLIC COMMUNICATIONS
RECEIVED
FEB 21 1984

DEPARTMENT OF FISH & GAME

ALASKA DEPARTMENT OF FISH AND GAME

Juneau, Alaska

STATE OF ALASKA

Bill Sheffield, Governor

DEPARTMENT OF FISH AND GAME

Don W. Collinsworth, Commissioner

DIVISION OF GAME

W. Lewis Pamplin, Jr., Director

State Waterfowl Conservation Stamp/Print Programs

Considerations for Alaska

February 1984

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Attachments:

- Texas waterfowl stamp program (article)
- Wisconsin hunter revenues (article)
- North Carolina waterfowl stamp print sale (article)
- State stamp print history
- Oregon waterfowl stamp bill

STATE WATERFOWL CONSERVATION STAMP/PRINT PROGRAMS

History - Discussion - Recommendations

INTRODUCTION

An Alaska Waterfowl Conservation Stamp program has been proposed in several bills put before the legislature in 1983. The intent of this report is to present a brief history of other state stamp programs, discuss alternatives for various aspects of their operations, and to recommend effective, profitable features for consideration in a program for Alaska.

Unlike many other states that rely on migrant waterfowl from northern breeding areas, Alaska is a major waterfowl production state. Alaska annually produces a fall flight of about 10 million ducks and one million geese to all five North American flyways and neighboring countries. Most of this waterfowl production can be attributed to a few large wetlands districts (i.e., Copper River Delta, Yukon-Kuskokwim Delta, Yukon Flats) and the sheer geographic expanse of wetlands throughout the State. Waterfowl habitat in Alaska becomes especially important to continental populations when drought in the prairies pushes birds north to breed. Most of Alaska's wetlands, however, are only marginally productive in comparison with the

prairies and parklands of the mid-continent, and little is known about the ecological requirements of waterfowl in our coastal, subarctic and arctic regions.

Waterfowl management in Alaska provides both opportunities to evaluate and enhance waterfowl production, and responsibilities to conserve and maintain many populations for the benefit of other states and countries. Waterfowl conservation stamp programs have been very profitable and effective in raising funds to meet these types of challenges.

Although the U.S. Fish and Wildlife Service has major responsibilities for migratory bird management, the Alaska Department of Fish and Game is charged with primary management of resident wildlife and most public uses of these resources in Alaska, leadership in management of waterfowl values on State lands, principal membership in the Pacific Flyway Study Committee and Council, and has assumed major responsibility for management of several species of special interest to the State. Revenues from a state waterfowl stamp would dramatically increase the Department's ability to enhance waterfowl production and public uses on State game refuges and other lands, and more effectively participate in state and Pacific Flyway management processes.

HISTORY OF WATERFOWL STAMPS

In 1934, the Migratory Bird Hunting Stamp Act was passed, authorizing the issuance of what is popularly known as the federal duck stamp; its official name is the Migratory Bird Hunting and Conservation Stamp. All waterfowl hunters are required to purchase the stamp, which has risen in price from \$1.00 at inception to \$7.50. In 1983, over 1.8 million stamps were sold in the United States. Revenues from the program are dedicated to the acquisition, protection and enhancement of wetland waterfowl habitats.

Following the success of the federal program, 29 states adopted similar stamp programs (Table 1) to fund waterfowl and habitat projects in their states and in primary waterfowl production areas elsewhere. For the seven states that initiated stamp programs since 1980, their combined 1982 revenues were over \$3.9 million, and averaged over \$500,000 per state.

California instituted the first state waterfowl stamp in 1971 and, through 1979, 16 states required waterfowl hunters to buy state stamps. Montana sold a bird conservation stamp, beginning in 1978, but undefined objectives and reliance on voluntary purchases made the program unprofitable within three years. These programs sold only stamps and did not acquire reproduction rights to the original design. Various states used art from either department staff, commissioner artists or waterfowl art contests.

Table 1. History and features of state waterfowl stamp programs.

First Year	State	Stamp Price	Reproduction Rights	Art Selection
1971	California	5.00	stamp (print 1984)	resident contest
1972	Iowa	5.00	stamp	resident contest
1974	Maryland	3.00	stamp	resident contest
	Massachusetts	1.25	stamp	open contest
1975	Illinois	5.50	stamp	resident contest
1976	Indiana	5.00	stamp	open contest
	Michigan	3.75	stamp	resident contest (until 1985)
	Mississippi	2.00	stamp	resident contest
	South Dakota*	5.00	stamp	resident contest
1977	Minnesota	3.75	stamp	resident contest
1978	Montana	2.00	stamp	program defunct
	Wisconsin	3.25	stamp	resident contest
1979	Alabama	5.00	stamp	resident contest
	Florida	3.25	stamp	open contest
	Missouri	3.00	stamp	resident contest
	Nevada	2.00	stamp	open contest
	Tennessee	6.50	stamp	resident contest
1980	Delaware	5.00	stamp/print	resident contest
	Oklahoma	4.00	stamp/print	resident contest
1981	Arkansas	5.50	stamp/print	contract
	South Carolina	5.50	stamp/print	open contest
	Texas	5.00	stamp/print	contract
1982	North Dakota**	9.00	stamp/print	contract
	Ohio	5.50	stamp/print	commissioned
1983	Pennsylvania	5.50	stamp/print	contract
	New Hampshire	4.00	stamp/print	contract
	North Carolina	5.50	stamp/print	contract
1984	Oregon	5.00	stamp/print	contract

* stamp voluntary for residents, mandatory at \$50.00 for non-residents.

** required purchase by all bird hunters.

From 1980 through 1982 seven more states enacted legislation to produce stamps required for waterfowl hunting. All of these states retained reproduction rights to the design, and profited from the sale of art prints as well as stamps. Artists were paid with flat fees, profit shares or by arrangement with a managing art publisher.

Four more states launched waterfowl stamp and print programs in 1983. Oregon and New Hampshire require stamps of hunters, but Pennsylvania and North Carolina offer them for voluntary purchase. New Jersey may consider enabling legislation for a program in 1984, presumably to offer both stamps and prints.

PROGRAM OBJECTIVES

The two primary objectives for the waterfowl conservation stamp program are:

1. To maximize Alaska's ability to benefit waterfowl and their habitats within the state; and
2. To provide a nationwide opportunity for art and stamp collectors to contribute financial support to the Alaska waterfowl management program, thereby benefiting the Alaskan public.

DISCUSSION

Sources of Revenue

Although the number of hunters and price of the stamp determine the base level of potential revenues, supplemental sales (art prints and collector stamps) have provided a major part of the income, especially in states like Alaska with low numbers of hunters (Table 2).

For the 1982-83 hunting season, approximately 17,600 federal waterfowl stamps were sold in Alaska (includes a small percentage to stamp collectors). Table 3 illustrates potential revenues from an Alaska stamp/print program, and the relative effect of stamp pricing on total income. These projections are quite conservative and are based on the best planning and marketing approaches used by other states (see following sections). If Alaska selected a price of \$5.00, equivalent to most states, hunters would probably contribute only 25-30% of the revenues. The bulk of revenues would come from out-of-state sales. Because income from hunters is relatively fixed, the following discussion focuses on aspects of maximizing the vital supplemental sales.

Nationwide sales of prints and stamps to collectors has proven immensely profitable to state waterfowl programs, and has sparked considerable competition among states to tap the market. The key elements of success include: a top quality design by a well-known artist; top quality printing and products that accommodate collector desires; and effective program administration and marketing.

Table 2. Proportions of 1982 revenues derived from hunters and from collectors, for the seven most recent state waterfowl stamp programs

State	First Year	No. of Hunters	Stamp Price	Hunter Revenue (%)	Collector Revenue (%)	Income/Hunter
Oklahoma	1980	12,000	\$4.00	48,000 (33)	94,300 (66)	11.86
Delaware	1980	10,000	\$5.00	50,000 (52)*	46,000 (48)*	9.60
Arkansas	1981	45,500	\$5.50	250,250 (53)	217,725 (47)	10.29
So. Carolina	1981	17,000	\$5.50	93,500 (31)	206,500 (69)	17.65
Texas	1981	112,500	\$5.00	562,500 (61)	366,245 (39)	8.26
No. Dakota	1982	80,000	\$9.00	720,000 (56)	557,700 (44)	15.97
Ohio	1982	40,000	\$5.50	220,000 (32)	455,000 (68)	16.88
AVERAGE			\$5.64			12.93

* estimated

Table 3. Analysis of fee levels and potential revenues for an Alaska waterfowl stamp program, assuming 17,000 waterfowl hunters (1982-83) collectors purchase 10,000 stamps and 5,000 art prints (\$40 royalty/print).

Stamp Fee	Hunter Revenue	(%)	Collector Revenue	(%)	Total Revenue
\$6.00	102,000	(28)	260,000	(72)	362,000
\$5.00	85,000	(25)	250,000	(75)	335,000
\$4.00	68,000	(22)	240,000	(78)	308,000
\$3.00	51,000	(18)	230,000	(82)	281,000
\$2.00	34,000	(13)	220,000	(87)	254,000

Example comparison: Reduction of stamp fee from \$6.00 to \$2.00 lowers cost to hunters by 66%, lowers total revenue only 30%.

Selection of art work

Those states that have used original art by nationally-known artists have realized the most income for their programs. Although artists that are little-known or even popular regionally may produce comparable work, market demand and investment values are higher for works by artists known across the country.

Other states use a variety of ways to select the original art design. Among the programs established before 1980, offering only stamps, most implemented art contests, either open to all entrants or restricted to state residents. With the introduction of art print sales and national marketing emphasis since 1980, several states (e.g., Texas, Ohio) have restricted their contests to well-known artists or done them by invitation only. Arkansas and North Dakota have foregone contests, and contract with art publishers for nationally-known artists.

States with contests report no major problems, but considerable effort is involved in working with a selection committee, and receiving, displaying, judging, and returning entries. Major considerations in the method of art selection are: (1) number and caliber of local artists; (2) national marketability of the products; and (3) funds and staff required to administer the process.

Stamp and print products

Stamps - Stamp collectors purchase from 1 to 50% of state waterfowl stamps, depending on particular state programs. In several states (e.g., Alabama, Nevada) sales of state stamps far exceed federal stamp sales. Arkansas and Ohio top sales to stamp collectors. Reasons for success relate to accommodating the values of stamp collecting in product designs:

1. Top quality printing to enhance aesthetic value.
2. Numbered stamps and numbered plate blocks (four stamps).
3. Stamp issue limited to sales during a specific period.
4. Publisher required to purchase stamps for each art print sold.

Art prints - Investment values and revenues from art print sales are dependent on selected artist and design, quality of printing and the edition size. Several states recommend printing by an in-state publisher to ensure quality work and personal attention. However, South Carolina reports problems in print quality resulting from selection of low-bid contractors.

The usual cost of a print is \$125.00, or \$130.00 with the stamp. Total print revenues are dependent on the edition size and the states' profit share from the publisher. Effects of edition size can be illustrated from 1981 sales by South Carolina, Arkansas, and Texas.

South Carolina had a quite limited edition of 4,500 prints, took a \$24 profit share and netted \$108,000. Arkansas had a larger edition of 7,700 and a \$35 profit share, gaining \$269,000. Texas, with an edition of 16,500 took \$35.50 per print and brought in \$587,000. The art investment value of South Carolina's print is now \$150 more than those of Texas and Arkansas. The principle is that small editions increase print values to investors with smaller profits to the state; large editions maximize program revenues but lower investment values. The recent successful programs in Texas, North Dakota, and North Carolina balance these factors by limiting editions to the number of pre-sale orders received within a fixed period.

Program administration

It is evident that state stamp programs present many options and require substantial planning and oversight to manage all the factors vital to success. Prior to 1980, stamp sales were more localized, and artists were compensated only with recognition and reproduction rights. As the potential for national marketing of supplemental sales grew, artist rewards and program operations became greater. In recent programs artists are being paid with fixed fees, retention of artist proofs, profit shares, and/or through contracts with publishers.

State fish and game departments and other government offices devote varying efforts to administer stamp/print programs, depending on the type of operations chosen. Art contests consume considerable time

from staff and a selection committee that is usually not paid. Depending on state licensing procedures, sales and distribution of stamps and prints add more staff effort; Delaware has a full-time person to deal with sales. ADF&G waterfowl program consists of one coordinator and one biologist.

To minimize cost and staffing of government administration, many states have gone to contract arrangements with publishers. Some, like North Dakota and Arkansas, contract out everything from selection of the art to sales of prints. States with contests usually contract for printing, marketing, and distribution of prints. Stamps are sold by government offices and agents.

Contracting has proven profitable, not only because of reduced administrative effort, but also because the profit motive of contract publishers ensures product quality, broad marketing, and greater sales.

State staff need only to oversee product fidelity and marketing strategy. Artist/publisher contracts usually contain additional provisions such as:

- Specifications of waterfowl subjects to be featured.
- Specifications of product quality and format.
- Publisher buy-back of stamps for each print.
- Publisher provides free "conservation edition" prints for fund raising events.

-Publisher will advertise nationally (Ducks Unlimited Magazine, Field and Stream, etc.).

State contracting is subject to specific regulations. If product quality and national marketing can be ensured by an in-state publisher there are benefits to local businesses and closer contract oversight.

RECOMMENDATIONS

Incorporation of the following recommendations into the Waterfowl Conservation Stamp Bill would satisfy the objectives of this program. Nevertheless, the Department of Fish and Game strongly supports passage of this bill even if these recommendations are modified.

1. Revenue - Require the purchase of a state stamp by waterfowl hunters age 16-60 years.

~~A mandantory program would maximiza out-of-state supplementari sales by:~~

- (a) ~~Demonstrating a firm state commitment to protect and enhance national waterfowl and wetland resources;~~
- (b) ~~Solidly establishing the stamp/print program and decreasing the chances of short-term unprofitability (e.g., Montana);~~

(c) Assuring collectors of continuing stamp/print series that will promote repeat purchases and investment values; and

(d) Stabilizing revenues to permit continuity and cost-effective management of funded waterfowl projects.

2. Administration - Printing, marketing and artist payment should be handled by the publisher.

Provided that high quality work and national sales connections can be demonstrated, an in-state publisher should be selected through a competitive process. Department share of the profits should be the highest negotiable.

3. Art selection - The publisher should contract for the original design from a nationally-known artist.

The most successful state programs (e.g., Arkansas, North Dakota and, to a degree, Texas) contract for nationally-known artists. If a contest is desirable, competition should be by invitation or open nationally. Alaska has a dearth of waterfowl artists and few known outside the state.

4. Stamps - Publisher should provide high quality stamps that are numbered and arranged in sheets and plate blocks for collectors. Publisher should buy a stamp for each print sold. Stamps should be sold by the Department through license vendors at widely accessible locations.

5. Art prints - Publisher should provide high quality prints that are advertised and sold nationally. Edition size should be limited to the number ordered during a six-month pre-sale period. Alaska should attempt to be the first to advertise among states for the initial year of the program.

6. Time table - The stamp program should become effective for the 1985-86 hunting season. Sufficient lead time is necessary to establish program operations and effective early marketing, because the first year issue of stamps and prints is by far the most profitable. A publisher package should be selected no later than January 1985.

7. Cost - The price of the stamp should not be less than \$3.00 and not more than \$5.00. Fees should be waived for low-income families under provisions of AS 16.05.340(5). The price of the art print should be \$125.00.

Attachments: Texas waterfowl stamp program (article)
Wisconsin hunter revenues (article)
North Carolina waterfowl stamp print sale (article)
State Stamp Print History
Oregon Stamp Bill (HB 2925, 1983)



Fish & Game BULLETIN

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Alaska Wildlife Week Scheduled April 22-28, 1984

Teachers should plan ahead to bring wildlife into their classrooms during Alaska Wildlife Week, April 22-28, 1984. This year's theme is water, wetlands, and wildlife. The 1984 Alaska Wildlife Week Education Packets will soon be mailed to all schools across Alaska. Produced by the department's Nongame Wildlife Program, Game Division, and the Public Communications Section, the 1984 education packets include a colorful poster, background information on Alaska's wetlands, interdisciplinary activities, worksheets on wetlands and wildlife for primary through high school classes, cards of wetlands' plants and animals, and more. Alaska Wildlife Week, sponsored by the department, is an annual celebration of the variety and abundance of wildlife in Alaska and a time for learning about wildlife and conservation. Community activities also are planned for Alaska Wildlife Week in some areas—check with your local ADF&G office for details. In Anchorage, there will be displays and exhibits on wetlands and wildlife, plus slide shows and video tapes on commercial fishing, sport fishing, wildlife, Project WILD, the regulatory process, predators, and other subjects. Information will be available on subsistence uses of wildlife resources and the Wildlife Safeguard Program, urban fisheries, rainbow trout, hook and release fishing, and many other topics. Some of the action will be at the Fort Richardson Hatchery Visitors' Center, April 23 to 29 from 9:00 a.m. to 4:00 p.m. Classes and talks are scheduled all week, and Fish and Game Day will be celebrated Saturday, April 28 at the Rabbit Creek Rifle Range and Potter Point State Game Refuge. For more information, call the Anchorage Fish and Game Regional Office at 344-0541.

Alaska Conversation Stamp Legislation Introduced

Bills to create an Alaska Waterfowl Conservation Stamp (duck stamp) Program have been introduced in the Alaska House of Representatives (HB 351) and Senate (SB 278). ADF&G supports such a program, according to Dan Timm, the regional game management coordinator in Anchorage. "The federal duck stamp is well known and responsible for retention and improvement of millions of acres of prime wetlands since 1934," said Timm. Revenues from sales of an Alaska state duck stamp and, possibly, art prints could be used not only to protect key Alaska

wetlands, but also to improve public access, enhance habitats in important areas, manage or even create goose populations, support selected research projects, and fund other necessary management activities, he explained. "We are excited about the stamp program and consider it a true conservation bill. Even people uninterested in waterfowl could benefit by investing in stamps and art prints that rapidly rise in value," commented Timm.

WREEC Receives Award from Wildlife Federation

The nation's natural resources have deteriorated or barely held their ground over the past years, according to the National Wildlife Federation's 1984 Environmental Quality Index. According to the index, published annually since 1969, the natural resources losing ground are wildlife, soil, and living space. Remaining the same, or showing no improvement, in the past 15 years are air, water, minerals and forests. The index, published in *National Wildlife*, the NWF's bimonthly magazine, is an analysis of resource trends based on news reports, current scientific studies, and consultation with government experts, private specialists, and academic researchers. Following enactment of the National Environment Policy Act in 1969, a bipartisan effort by Republicans and Democrats produced 20 major environmental laws in 10 years. As a result, according to the index, air quality today "is remarkably cleaner in most American cities. Fish have returned to many lakes and rivers that a few years ago were devoid of life. Government and industry are now spending \$50 billion a year to reduce pollution." Serious problems remain, however, including acid rain, soil erosion, toxic waste seepage, and nonpoint water pollution, according to the report.

Natural Resources Worsened or Held Their Ground Over 15 Years

The Western Regional Environmental Education Council (WREEC), representing 13 western states including Alaska, was selected to receive the 1983 National Conservation Award by the National Wildlife Federation (NWF). Selection was due mainly to the recent work done on the

(Continued on page 2)

Testimony

from Mary Bishop, SR 20145-D, Fairbanks, AK 99701 455-6151, representing self

Re: CSSB 278

To House Resources, committee meeting 3 p.m. 4/10/84

I wish to support the concept of a state waterfowl stamp and fee. And I am supportive of these funds being used for the conservation and enhancement of waterfowl as would be provided by Section 2, (b)(1) of this bill.

I do wonder, though, why people who benefit from programs which provide for the conservation and enhancement of waterfowl (Section 2 (b)(1)) but not from the provisions of Section 2 (b)(2-4) "shall" be exempt, by regulation, from the requirement for purchasing the stamp. Must the Board of Game decide which rural areas of the state benefit from (b)(1-4) and which only benefit from (b)(1-3). If this must be done, then the legislature should do it, not the Board of Game. That's passing the buck, and a very unpleasant buck it is.

I strongly recommend deleting Section 3, part (d).