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**HOUSE COMMITTEE REPORT**

Date referred: 3/22/88

FURTHER REFERRALS:

DATE: 3-23-88

The Finance Committee has considered HB 510

"An Act transferring responsibility for the issuance of certain fishing, hunting, and trapping licenses, tags, and identification cards from the commissioner of revenue to the commissioner of fish and game."

**RECOMMENDS:**

- replace with CS HB 510 (Res)  the same title
- attached amendment(s)  a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the \_\_\_\_\_ Committee

**ADOPTS:**  \_\_\_\_\_ letter of intent

**ATTACHES NEW FISCAL NOTE(S):**

- fiscal impact  same as previous fiscal note published 3/22/88 (2)
- zero fiscal note  same as previous zero fiscal note published \_\_\_\_\_
- zero with analysis

**SIGNING DO PASS:**

**SIGNING OTHER RECOMMENDATIONS:**

Adams Al Adams

Golt Peter Golt

Frank Frank

Ranchot Pat Ranchot

Rieger Al Rieger

Swack Swack

Boyer Max Boyer

Brown Kay Brown

Larson Ronald Larson

Davis Mike Davis

Al Adams  
Chairman's signature

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_ Agency Affected: Fish and Game  
Title: An Act transferring responsibility BRU: Administration & Support  
for the issuance of certain fishing...  
Sponsor: Rep Royer Components: Administrative Services  
Requestor: Rep Royer

EXPENDITURES/REVENUES: (Thousands of Dollars)

| OPERATING         | FY 88 | FY 89 | FY 90 | FY 91 | FY 92 | FY 93 |
|-------------------|-------|-------|-------|-------|-------|-------|
| PERSONAL SERVICES |       | 386.9 | 390.0 | 390.0 | 390.0 | 390.0 |
| TRAVEL            |       | 7.8   | 8.0   | 8.0   | 8.0   | 8.0   |
| CONTRACTUAL       |       | 319.8 | 322.0 | 322.0 | 322.0 | 322.0 |
| SUPPLIES          |       | 10.0  | 10.0  | 10.0  | 10.0  | 10.0  |
| EQUIPMENT         |       | 120.0 | 0     | 0     | 0     | 0     |
| LAND & STRUCTURES |       |       |       |       |       |       |
| GRANTS, CLAIMS    |       |       |       |       |       |       |
| MISCELLANEOUS     |       |       |       |       |       |       |
| TOTAL OPERATING   |       | 844.5 | 730.0 | 730.0 | 730.0 | 730.0 |

|         |  |  |  |  |  |  |
|---------|--|--|--|--|--|--|
| CAPITAL |  |  |  |  |  |  |
|---------|--|--|--|--|--|--|

|         |  |         |         |          |          |          |
|---------|--|---------|---------|----------|----------|----------|
| REVENUE |  | 9,800.5 | 9,850.0 | 10,050.0 | 10,240.0 | 10,400.0 |
|---------|--|---------|---------|----------|----------|----------|

\$100.0 to \$300.0 of revenue is currently uncollectable

FUNDING: (Thousands of Dollars)

|               |  |       |       |       |       |       |
|---------------|--|-------|-------|-------|-------|-------|
| GENERAL FUND  |  | 844.5 | 730.0 | 730.0 | 730.0 | 730.0 |
| FEDERAL FUNDS |  |       |       |       |       |       |
| OTHER         |  |       |       |       |       |       |
| TOTAL         |  |       |       |       |       |       |

POSITIONS:

|           |  |    |    |    |    |    |
|-----------|--|----|----|----|----|----|
| FULL-TIME |  | 10 | 10 | 10 | 10 | 10 |
| PART-TIME |  |    |    |    |    |    |
| TEMPORARY |  |    |    |    |    |    |

ANALYSIS : (Attach a separate page if necessary)

FY 89 request includes a transfer of \$662.1 from the Department of Revenue and \$133.0 in one-time items. See enclosed for more details.

Prepared by: *Laverly Reame* Phone: 465-4120  
Division: Administration Date: 03/04/88

Approved by Commissioner: *Don W. Collinsworth* Date: 03/04/88  
Agency: Fish and Game

Distribution (by preparer):  
Legislative Finance  
Legislative Sponsor  
Requestor  
Office of Management and Budget  
Impacted Agency(ies)

RECEIVED

MAR 8 1988

DEPARTMENT OF FISH AND GAME - FISCAL NOTE TO ACCOMPANY HB510

TRANSFER OF FUNDING FROM THE DEPT. OF REVENUE:

PERSONAL SERVICES:

|                              |       |
|------------------------------|-------|
| Revenue Licensing Supervisor | 54.8  |
| Accounting Supervisor I      | 46.7  |
| Clerk Typist II              | 26.9  |
| Accounting Clerk II          | 31.4  |
| Clerk Typist III             | 28.3  |
| Data Entry Center Supervisor | 38.7  |
| Subtotal                     | 226.8 |

CONTRACTUAL:

|                              |       |
|------------------------------|-------|
| Printing, Postage, Telephone | 36.8  |
| Wang VS & Maintenance Costs  | 39.0  |
| Other Contractual            | 0.3   |
| Vendor Compensation          | 356.6 |
| Subtotal                     | 432.7 |

SUPPLIES: 2.6

SUBTOTAL REVENUE TRANSFER 662.1

PROPOSED ADDITIONS BY DEPT. OF FISH AND GAME:

PERSONAL SERVICES:

|                          |       |
|--------------------------|-------|
| Programmer/Analyst III   | 48.4  |
| Data Processing Clerk I  | 28.5  |
| Accounting Supervisor II | 44.3  |
| Accounting Technician II | 38.9  |
| Subtotal                 | 160.1 |

TRAVEL: 7.8

CONTRACTUAL:

|                            |        |
|----------------------------|--------|
| Postage, Phones, Copier    | 14.5   |
| Printing                   | 20.0   |
| Reduce Vendor compensation | -160.4 |
| Subtotal                   | -125.9 |

SUPPLIES: 7.4

ONE TIME COSTS

|                          |       |
|--------------------------|-------|
| Space modify/telephone   | 13.0  |
| Computer/Optical Scanner | 105.0 |
| Microfilm/Verticle files | 15.0  |

SUBTOTAL ONE TIME ITEMS 133.0

SUBTOTAL FISH & GAME ADDITIONS 182.4

SUMMARY OF TOTAL REQUEST

|                               |        |
|-------------------------------|--------|
| REVENUE TRANSFER TO ADF&G     | 662.1  |
| ADF&G ADDITIONS               | 209.8  |
| CHANGE TO VENDOR COMPENSATION | -160.4 |
| ADF&G ONE TIME ITEMS          | 133.0  |
| TOTAL REQUEST                 | 844.5  |

ANALYSIS OF AGENT COMPENSATION ALTERNATIVES

| AGENT SALES          | NO. OF VENDORS | AVERAGE PER VENDOR SALES | EXISTING<br>AVG. SINGLE VENDOR COMP. CURRENTLY | EXISTING<br>TOTAL VENDOR COMP. CURRENTLY | NEW METHOD<br>AVG. SINGLE VENDOR COMP. NEW METHOD | NEW METHOD<br>TOTAL VENDOR COMP. NEW METHOD | CHANGE IN TOTAL COMPENSATION |
|----------------------|----------------|--------------------------|--|--|---|---|------------------------------|
| *****                | *****          | *****                    | *****  | *****                                    | *****   | *****                                       | *****                        |
| Under 50 licenses    | 667            | 30                       | \$50   | \$33,350                                 | \$50  | \$33,350                                    | NO CHANGE                    |
| 51 to 1000 licenses  | 183            | 450                      | \$450  | \$82,350                                 | \$300   | \$54,900                                    | (\$27,450)                   |
| 1001 to 5000 license | 65             | 2300                     | \$2,300  | \$149,500                                | \$775   | \$50,375                                    | (\$99,125)                   |
| 5001 and up licenses | 35             | 5775                     | \$5,775  | \$202,125                                | \$1,644   | \$57,540                                    | (\$144,585)                  |
|                      |                |                          |  | \$467,325                                |   | \$196,165                                   | (\$271,160)                  |

NOTES:

1. This compensation analysis is for demonstration purposes only and does not reflect actual activity.
2. Most vendors, particularly those in small towns and villages fit in the category of selling 50 licenses or less per year. They will see NO change in their reimbursement.
3. All vendors, regardless of sales volume, keep 5% of total receipts. The compensation dealt with here reflects an additional amount based on actual number of licenses sold.
4. Amounts listed under current are based on all vendors receiving \$1 per license sold.
5. Amounts listed under new method are based on changing to a sliding scale:  
\$1 per license for the first 50 with a minimum of \$50; \$.75 for the next 200 licenses;  
\$.50 for the next 250 licenses; and \$.25 for each license over 500.
6. Projected savings in fiscal note is based on the next to last column, Total Vendor New Method, \$196.2 subtracted from the Revenue transfer of \$356.6.  $356.6 - 196.2 = 160.4$



STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
**BILL ANALYSIS**

|   |                            |  |                       |
|---|----------------------------|--|-----------------------|
| DEPARTMENT<br>Fish and Game   | DIVISION<br>Administration | BILL NUMBER<br>HB 510                            | SPONSOR<br>Rep. Boyer |
| SHORT TITLE OF BILL<br>An Act transferring responsibility for the issuance of certain licenses... |                            |  |                       |
| DEPARTMENT POSITION<br>In favor of bill   |                            |  |                       |
| PREPARED BY<br><i>Beverly Reaume</i><br>Beverly Reaume  | DATE<br>03/04/88           | COMMISSIONER'S SIGNATURE<br><i>Chas. Collins</i> | DATE<br>03/04/88      |

**SUMMARY**

|  |                                       |
|--|---------------------------------------|
| OTHER AGENCIES AFFECTED BY BILL<br><br>Department of Revenue | CONSTITUENT GROUP(S) AFFECTED BY BILL |
| ORGANIZATIONAL SUPPORT FOR BILL                              | ORGANIZATIONAL OPPOSITION TO BILL     |

FISCAL IMPACT:  NONE  FISCAL NOTE ATTACHED

BACKGROUND/LEGISLATIVE INTENT

The intent of HB 510 is to transfer all responsibility for the sale of all fishing and hunting licenses from the Department of Revenue to the Department of Fish and Game.

ANALYSIS OF BILL/PROGRAM EFFECTS

Please see enclosed.

AMENDMENTS PROPOSED

See enclosed highlighted copy of HB510.

PLEASE ATTACH A SEPARATE SHEET FOR ADDITIONAL COMMENTS OR ANALYSIS.

DEPARTMENT OF FISH AND GAME  
Bill Analysis on HB 510

Brief analysis and explanation for proposed increases/decreases:

In analyzing the current licensing function, the Department of Fish and Game (ADF&G) has found that the section is critically in need of a complete revamping. There are currently something in excess of 900 vendors who sell 450,000 fishing/hunting licenses, 40,000 to 60,000 crew member licenses plus assorted tags and stamps. Data entry and data manipulation appear to be inadequate. Data processing capabilities consist of a six year old mini computer that was never adequately programmed and does not begin to address information needs. For example, it was impossible for ADF&G to determine an exact number of vendors or get any idea of the volume per vendor without manually counting them. To remedy this we propose the following additions:

Personal Services:

Add a programmer to develop a state-of-the art processing system that will provide data to the various agencies in a timely matter, automatically calculate vendor compensation and activity, provide statistical data for follow-up collection efforts and replace the current labor-intensive method of handling licensing.

Add a data entry clerk to enter data from licenses and vendor reports. The Department of Revenue (DOR) estimates (see DOR fiscal note) that three additional employees would need to be added in order to adequately enter data. We (ADF&G) propose adding only one since we further intend to use optical scanning of licenses for a major portion of the data entry.

We propose to add an accounting supervisor and technician to develop and implement a system of reconciling vendor accounts and provide the necessary follow-up to collect all amounts due to the state. It appears that a minimum of \$100,000 and perhaps as much as 300.0 now remains uncollected from vendors due to a lack of staff and sufficient funding to allow audits and for collection enforcement.

Travel, Contractual, Supplies (excluding vendor compensation):

Office space for the licensing section must be consolidated as space is realigned among the Departments of Revenue, Commerce, Fish and Game and Labor. Included under this category are the necessary one-time costs for this relocation.

The increase in printing would be for a complete redesign of the license form itself, primarily to accommodate optical scanning.

Also included in this category would be travel costs associated with vendor audits and reconciliation of their accounts, including collection efforts.

The remaining funds under this category would bring the section to full funding based on discussions with current DOR staff.

Vendor Compensation:

Currently vendors are compensated in the following manner:

Retention of 5% of sales; and

\$1 per license sold with a minimum of \$50

We proposed modifying this compensation as follows:

Retain the automatic retention of 5% of sales;

Modify the reimbursement for each sale as follows:

\$1 each for the first 50 licenses, with a \$50 minimum;

\$.75 for 50 to 250 licenses,

\$.50 for 251 to 500 licenses,

\$.25 for 501 and above licenses.

See schedule on page 3 of the fiscal note for our analysis of change.

Equipment:

This allows for replacement of current inadequate equipment with data processing equipment that is compatible with existing ADF&G equipment (IBM compatible) and movement to optical scanning of licenses. We have had insufficient time to determine exactly what form the new system will take. That is, whether it would be micro-, mini-, or mainframe-computer based. While the mainframe might be a logical choice, it is currently operating at its upper limits and it's uncertain whether we could add another large, new system. The \$75,000 being requested would supply microcomputers or redesign of the system whether mainframe or minibased. It would be a one-time cost.

As indicated above, optical scanning of licenses would be far more efficient than present labor-intensive data capture methods, even if they were adequately capturing data. This would be a one-time cost.

There are presently 16 file cabinets of information. While some of this is necessary in a hard copy form, much of it could be microfilmed. ADF&G currently has a microfilmer and the proposed request would expand this capability.

Also remaining files would be replaced by more space efficient verticle files.

FISCAL NOTE

REQUEST:

Revision Date:  
Title: "An Act transferring issuance of fishing, hunting, trapping licenses.."  
Sponsor: Representative Boyer  
Requestor: Resources & Finance

Agency Affected: Revenue  
BRU: Income and Excise Audit Division  
Components:

EXPENDITURES/REVENUES: (Thousands of Dollars)

|                    | FY 86 | FY 89   | FY 90 | FY 91 | FY 92 | FY 93 |
|--------------------|-------|---------|-------|-------|-------|-------|
| OPERATING          |       |         |       |       |       |       |
| PERSONAL SERVICES  | -     | (226.6) | -     | -     | -     | -     |
| TRAVEL             | -     | -       | -     | -     | -     | -     |
| CONTRACTUAL        | -     | (432.7) | -     | -     | -     | -     |
| SUPPLIES           | -     | (2.6)   | -     | -     | -     | -     |
| EQUIPMENT          | -     | -       | -     | -     | -     | -     |
| LANDS & STRUCTURES | -     | -       | -     | -     | -     | -     |
| GRANTS, CLAIMS     | -     | -       | -     | -     | -     | -     |
| MISCELLANEOUS      | -     | -       | -     | -     | -     | -     |
| TOTAL OPERATING    | -     | (662.1) | -     | -     | -     | -     |
| CAPITAL            | -     | -       | -     | -     | -     | -     |
| REVENUE            | -     | -       | -     | -     | -     | -     |

FUNDING: (Thousands of Dollars)

|               |   |   |   |   |   |   |
|---------------|---|---|---|---|---|---|
| GENERAL FUND  | - | - | - | - | - | - |
| FEDERAL FUNDS | - | - | - | - | - | - |
| OTHER         | - | - | - | - | - | - |
| TOTAL         | - | - | - | - | - | - |

POSITIONS:

|           |   |     |   |   |   |   |
|-----------|---|-----|---|---|---|---|
| FULL-TIME | - | (6) | - | - | - | - |
| PART-TIME | - | -   | - | - | - | - |
| TEMPORARY | - | -   | - | - | - | - |

ANALYSIS: (Attach a separate page if necessary)

(see attached analysis)

Prepared By: Steven E. Kettel, Director Phone: (907) 465-2320  
Division: Income and Excise Audit Division Date: 03/04/88

Approved by Commissioner: Hugh Malone Date: 03/04/88  
Agency: Department of Revenue

Distribution (by preparer):

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

Prepared By: Steven E. Kettel  
Income and Excise Audit Division  
Department of Revenue  
February 20, 1988

### HB 510 Analysis

The Department of Revenue supports this legislation transferring the fish and game licensing program to the Department of Fish and Game.

This program consists of the following features:

- 1) coordination of statewide sales of fish and game licenses, tags, permits and duck stamps through over 900 private vendors;
- 2) design and mailout of licenses and forms;
- 3) data capture of monthly, quarterly, and annual sales reports from the vendors;
- 4) processing and deposit of cash receipts;
- 5) reconciliation of vendor reports to cash receipts; and
- 6) paying additional compensation to vendors based upon the number of licenses sold.

The Department of Revenue suggests a January 1, 1989 effective date for the following reasons:

- a) This program is run on a calendar year basis, and transfer mid-year would adversely impact the smooth operation of the program.
- b) The department is in the planning phase for automating this program and a January 1 transition date will give us additional time to complete the work.

To effect the transfer, the Department will give the Department of Fish and Game the resources it has allocated to the program, including:

- 1) Data processing software and documentation including file layouts, flow chart, program listing, data file tapes, etc., assuring that Fish and Game would convert the data from a Wang file structure to an IBM file structure and the Wang COBOL programs to IBM COBOL programs. Utilizing pre-1986 IBM programs would require some modification. Assuming Fish and Game retains a Wang structure, the Department is willing to transfer a Wang VS 85 mainframe and program related peripheral equipment to the Department of Fish and Game.

HB 510 Analysis (Cont.)

2) Transfer of funding will include:

A) Personal Services

The following positions will transfer from the Income and Excise Audit Division with associated funding of \$188.1:

| <u>Position</u>              | <u>Range/Step</u> | <u>FY 89 Budget</u> |
|------------------------------|-------------------|---------------------|
| Revenue Licensing Supervisor | 16K               | \$54.8              |
| Accounting Supervisor I      | 14J               | \$46.7              |
| Clerk Typist II              | 7B                | \$26.9              |
| Accounting Clerk II          | 9D                | \$31.4              |
| Clerk Typist III             | 8B                | <u>\$28.3</u>       |
|                              |                   | \$188.1             |

The following position will transfer from the Administrative Services Division with associated funding of \$38.7:

| <u>Position</u>              | <u>Range/Step</u> | <u>FY 89 Budget</u> |
|------------------------------|-------------------|---------------------|
| Data Entry Center Supervisor | 14A               | \$38.7              |

B) Contractual

The following associated funds will transfer from the Income and Excise Audit Division:

|                               |               |
|-------------------------------|---------------|
| Vendor Compensation:          | \$356.6       |
| Printing, Postage, Telephone: | <u>\$36.8</u> |
|                               | \$393.4       |

The following associated funds will transfer from the Administrative Services Division:

|                              |             |
|------------------------------|-------------|
| Wang VS & Maintenance costs: | \$39.0      |
| Other contractual costs:     | <u>\$.3</u> |
|                              | \$39.3      |

C) Supplies

The transfer of associated supply funds from the Income and Excise Audit Division will be \$2.5.

The transfer of associated supply funds from the Administrative Services Division will be: \$.1

SUMMARY OF TRANSFERS:

|                   |              |
|-------------------|--------------|
| Personal Services | \$226.8      |
| Contractual       | \$432.7      |
| Supplies          | <u>\$2.6</u> |
| Total Transfer:   | \$662.1      |

Original sponsor: Boyer

1 IN THE HOUSE BY THE RESOURCES COMMITTEE  
2 CS FOR HOUSE BILL NO. 510 (Resources)  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 FIFTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act transferring responsibility for the issuance  
7 of certain fishing, hunting, and trapping licenses,  
8 tags, and identification cards from the commissioner  
9 of revenue to the commissioner of fish and game; and  
10 relating to compensation for, penalties against, and  
11 proceeds, fees, forms, and reports transmitted by  
12 agents who sell or collect fees for certain licenses,  
13 tags, and permits."

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

15 \* Section 1. AS 16.05.335 is amended to read:

16 Sec. 16.05.335. COMPLIMENTARY LICENSES. The commissioner [OF  
17 REVENUE] shall annually, at the request of the governor, provide the  
18 governor with not more than 50 complimentary fishing and hunting  
19 licenses and appropriate big game tags which the governor may distri-  
20 bute to distinguished visitors to Alaska for their use in any one  
21 season during their visits to the state. The complimentary license  
22 for sport fishing or hunting or both shall be inscribed by the gover-  
23 nor with the inclusive dates for its authorized use. The governor  
24 shall advise the department on any complimentary issuances, which  
25 information shall be available to the public.

26 \* Sec. 2. AS 16.05.340(c) is amended to read:

27 (c) The commissioner [OF REVENUE] may issue a duplicate license  
28 or a duplicate tag as a replacement for a license or tag issued under  
29 (a) of this section. A fee of \$2 shall be charged for each duplicate

1 license or tag and the duplicate shall not be issued unless the com-  
2 missioner [OF REVENUE] or a delegate is satisfied that the original  
3 has been lost or destroyed. This subsection does not apply to a  
4 25-cent license issued under (a)(6) of this section.

5 \* Sec. 3. AS 16.05.360 is amended to read:

6 Sec. 16.05.360. COMMISSIONER [OF REVENUE] CHARGED WITH LICENSE  
7 ISSUANCE. The commissioner [OF REVENUE] or an authorized deputy shall  
8 issue each license and tag to a qualified person under written appli-  
9 cation containing such reasonable information as required by the  
10 commissioner. The commissioner shall designate the license and tag  
11 form or type. The form or type shall be sufficient to identify and  
12 locate the applicant and establish the applicant's status as to resi-  
13 dency and citizenship. Each application shall be subscribed and sworn  
14 to by the applicant before an officer authorized to administer oaths  
15 in the state.

16 \* Sec. 4. AS 16.05.380 is amended to read:

17 Sec. 16.05.380. COMMISSIONER [OF REVENUE] MAY APPOINT AGENTS.  
18 The commissioner [OF REVENUE] may appoint state employees or other  
19 persons to take applications, issue licenses and tags, and collect  
20 fees. The commissioner is not liable for defalcation or failure to  
21 account for the fees collected by any person so appointed, but the  
22 commissioner shall require a bond in an adequate sum, conditioned upon  
23 faithfully accounting for all money collected. However, the commis-  
24 sioner may waive the bond requirements of an instrumentality of the  
25 United States or its agents and employees, when the instrumentality or  
26 its agents or employees sell licenses primarily to persons in the  
27 armed forces. Each person, upon appointment by the commissioner, may  
28 administer oaths on applications for licenses and tags.

29 \* Sec. 5. AS 16.05.390 is amended to read:

1           Sec. 16.05.390. FEES AND COMPENSATION FOR ISSUANCE OF LICENSES  
2 AND TAGS. (a) Except as provided in (e) of this section, an agent  
3 appointed and authorized by the commissioner [OF REVENUE] under  
4 AS 16.05.380 to sell licenses and tags is entitled to

5           (1) retain five percent of the fee that is charged for a  
6 license or tag or 25 cents for each license or tag sold, whichever is  
7 greater; and

8           (2) compensation of \$50 per year or compensation for  
9 licenses and tags [\$1 FOR EACH LICENSE OR TAG] sold during the year  
10 according to the following schedule, whichever is greater:

- 11                   (A) 1 - 50 licenses and tags . . . . . \$1 each;  
12                   (B) 51 - 250 licenses and tags . . . . . \$0.75 each;  
13                   (C) 251 - 500 licenses and tags . . . . . \$0.50 each;  
14                   (D) more than 500 . . . . . \$0.25 each.

15           (b) Each agent authorized to sell licenses or tags under AS 16.-  
16 05.380 shall, as directed by the commissioner [OF REVENUE], transmit  
17 the proceeds from the sales of licenses and tags, except the amount  
18 authorized to be retained under (a)(1) of this section, together with  
19 a report of the sales, to the commissioner for deposit in the fish and  
20 game fund or the general fund.

21           (c) On March 31, June 30, September 30, and December 31 of each  
22 year the commissioner [OF REVENUE] shall calculate the compensation  
23 earned by an agent under (a)(2) of this section minus any penalties  
24 assessed under (g) of this section. If the compensation due exceeds  
25 \$50, the commissioner shall pay the compensation not later than 30  
26 days after the date for which the compensation was calculated. If the  
27 compensation due is \$50 or less, the commissioner shall pay the com-  
28 pensation not later than January 30 of the year following the year in  
29 which the compensation was earned. The commissioner shall pay

1 compensation [IN AN AMOUNT EXCEEDING \$50] only for sales of licenses  
2 or tags for which the commissioner has received the report and pro-  
3 ceeds required to be transmitted under (b) of this section.

4 (d) Compensation provided by this section shall be paid from  
5 appropriations made to the department [DEPARTMENT OF REVENUE] from the  
6 general fund.

7 (e) The provisions of (a) of this section do not apply to a  
8 state employee appointed by the commissioner [OF REVENUE] under  
9 AS 16.05.380 to sell licenses and tags.

10 \* Sec. 6. AS 16.05.390 is amended by adding new subsections to read:

11 (f) Proceeds and reports under (b) of this section shall be  
12 transmitted to the commissioner by the last day of the month following  
13 the month in which the licenses and tags are sold. The commissioner  
14 may grant an extension of not more than 30 days if the agent estab-  
15 lishes that

16 (1) failure to grant an extension would impose an excessive  
17 financial hardship on the agent;

18 (2) the proceeds from the license and tag sales for the  
19 period, including the amount that the agent is authorized to retain,  
20 total less than \$1,000; and

21 (3) the cumulative amount of proceeds due from the agent,  
22 including the proceeds due for the current period, does not exceed  
23 \$1,000.

24 (g) The commissioner may assess a penalty against an agent who  
25 does not transmit proceeds within the time allowed under (f) of this  
26 section. The penalty shall be in an amount equal to one and one-half  
27 percent of the amount of proceeds due. The penalty may be assessed  
28 for each month or portion of a month that the proceeds are delinquent.  
29 A penalty under this subsection shall be withheld from the agent's

1 compensation under (b)(2) of this section.

2 \* Sec. 7. AS 16.05.400(b) is amended to read:

3 (b) A sport fishing, hunting or trapping license is not required  
4 of a resident who is 60 years of age or more and has been a resident  
5 for one year or more. The commissioner [OF REVENUE] shall issue a  
6 permanent identification card without charge to persons who qualify by  
7 age and residence and who complete the forms required by the commis-  
8 sioner for implementation of this subsection. A person who is issued  
9 a permanent identification card under this subsection shall have it in  
10 possession while sport fishing, hunting or trapping.

11 \* Sec. 8. AS 16.05.405(b) is amended to read:

12 (b) A resident hunting license indicating that the purchaser is  
13 blind may be obtained from the department [DEPARTMENT OF REVENUE] upon  
14 payment of the fee prescribed in AS 16.05.340 and upon presentation of  
15 either an affidavit of the applicant stating that the applicant cannot  
16 distinguish light from darkness or an affidavit signed by a licensed  
17 physician or a licensed optometrist stating that the applicant's  
18 central visual acuity does not exceed 20/200 in the better eye with  
19 correcting lenses or that the applicant's widest diameter of visual  
20 field subtends an angle no greater than 20 degrees.

21 \* Sec. 9. AS 16.05.450(a) is amended to read:

22 (a) The commissioner [OF REVENUE] or an authorized agent shall  
23 issue a crewmember fishing license under AS 16.05.480 to each quali-  
24 fied person who files a written application at a place in the state  
25 designated by the commissioner, containing the reasonable information  
26 required by the commissioner together with the required fee. The  
27 application shall be simple in form and shall be executed by the  
28 applicant under the penalty of perjury.

29 \* Sec. 10. AS 16.05.460 is amended to read:

1           Sec. 16.05.460. COMMISSIONER [OF REVENUE] MAY APPOINT AGENTS.  
2           The commissioner [OF REVENUE] may appoint qualified persons as agents  
3           to receive applications, issue licenses, and collect license fees  
4           under AS 16.05.440 - 16.05.480, and to assist in the completion of  
5           annual application or renewal forms for interim-use permits and entry  
6           permits issued under AS 16.43.

7           \* Sec. 11. AS 16.05.470 is amended to read:

8           Sec. 16.05.470. FEE FOR ISSUANCE OF LICENSES AND INTERIM-USE OR  
9           ENTRY PERMITS. (a) A person appointed and authorized by the commis-  
10          sioner [OF REVENUE] to sell licenses under AS 16.05.440 - 16.05.480,  
11          except salaried employees of the state, shall retain the sum of 15  
12          percent of the fee for the issuance of a license. An agent shall  
13          transmit monthly to the commissioner all license fees collected by the  
14          agent, less the authorized commission, together with a full accounting  
15          of the fees. The commissioner shall make monthly remittances of the  
16          fees collected to the proper state official. The commissioner is not  
17          liable for defalcation or failure to account for the fees collected by  
18          an agent, but the commissioner shall require a bond in the sum the  
19          commissioner considers adequate, conditioned upon the faithful ac-  
20          counting of money collected.

21          (b) A person appointed and authorized by the commissioner [OF  
22          REVENUE] under AS 16.05.460 to issue licenses under AS 16.05.440 -  
23          16.05.480, except salaried employees of the state, shall retain the  
24          sum of 15 percent of the interim-use or entry permit fee for assisting  
25          in completion of the annual application or renewal form for the inter-  
26          im-use or entry permit. An agent shall transmit promptly to the  
27          Commercial Fisheries Entry Commission all application or renewal forms  
28          and fees collected by the agent, less the authorized commission,  
29          together with a full accounting of the fees. The commissioner and the

1 Commercial Fisheries Entry Commission are not liable for defalcation  
2 or failure to account for the fees collected by an agent, but the  
3 commissioner shall require a bond in the sum the commissioner consid-  
4 ers adequate, conditioned upon the faithful accounting of money col-  
5 lected.

6 \* Sec. 12. AS 16.05.470 is amended by adding new subsections to read:

7 (c) Forms and fees under (a) or (b) of this section shall be  
8 transmitted to the commissioner or to the Commercial Fisheries Entry  
9 Commission, respectively, by the last day of the month following the  
10 month in which the fees are collected. The commissioner or the com-  
11 mission, as appropriate, may grant an extension of not more than 30  
12 days if the agent establishes that

13 (1) failure to grant an extension would impose an excessive  
14 financial hardship on the agent;

15 (2) the fees collected by the agent for the period, includ-  
16 ing the amount that the agent is authorized to retain, totals less  
17 than \$1,000; and

18 (3) the cumulative amount of fees due from the agent,  
19 including the fees due for the current period, does not exceed \$1,000.

20 (d) The commissioner or the commission, as appropriate, may  
21 assess a penalty against an agent who does not transmit fees within  
22 the time allowed under (c) of this section. The penalty shall be in  
23 an amount equal to one and one-half percent of the amount of fees due.  
24 The penalty may be assessed for each month or portion of a month that  
25 the fees are delinquent.

26 \* Sec. 13. AS 16.05.826(a) is amended to read:

27 (a) The waterfowl conservation tag authorized in AS 16.05.-  
28 340(a)(17) shall be produced annually in stamp form by the department  
29 in an amount the commissioner [DEPARTMENT OF REVENUE] considers

1        appropriate. The department shall make stamps available for the  
2        creation of waterfowl conservation limited edition prints and shall  
3        provide for the sale of stamps and prints to the public.

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_ Agency Affected: Fish and Game  
 Title: An Act transferring responsibility BRU: Administration & Support  
for the issuance of certain fishing...  
 Sponsor: Rep. Boyer Components: Administrative Services  
 Requestor: Rep. Boyer

EXPENDITURES/REVENUES: (Thousands of Dollars)

| OPERATING         | FY 88 | FY 89 | FY 90 | FY 91 | FY 92 | FY 93 |
|-------------------|-------|-------|-------|-------|-------|-------|
| PERSONAL SERVICES |       | 386.9 | 390.0 | 390.0 | 390.0 | 390.0 |
| TRAVEL            |       | 7.8   | 8.0   | 8.0   | 8.0   | 8.0   |
| CONTRACTUAL       |       | 319.8 | 322.0 | 322.0 | 322.0 | 322.0 |
| SUPPLIES          |       | 10.0  | 10.0  | 10.0  | 10.0  | 10.0  |
| EQUIPMENT         |       | 120.0 | 0     | 0     | 0     | 0     |
| LAND & STRUCTURES |       |       |       |       |       |       |
| GRANTS, CLAIMS    |       |       |       |       |       |       |
| MISCELLANEOUS     |       |       |       |       |       |       |
| TOTAL OPERATING   |       | 844.5 | 730.0 | 730.0 | 730.0 | 730.0 |

|         |  |  |  |  |  |  |
|---------|--|--|--|--|--|--|
| CAPITAL |  |  |  |  |  |  |
|---------|--|--|--|--|--|--|

|         |  |         |         |          |          |          |
|---------|--|---------|---------|----------|----------|----------|
| REVENUE |  | 9,800.5 | 9,850.0 | 10,050.0 | 10,240.0 | 10,400.0 |
|---------|--|---------|---------|----------|----------|----------|

\$100.0 to \$300.0 of revenue is currently uncollectable

FUNDING: (Thousands of Dollars)

|               |  |       |       |       |       |       |
|---------------|--|-------|-------|-------|-------|-------|
| GENERAL FUND  |  | 844.5 | 730.0 | 730.0 | 730.0 | 730.0 |
| FEDERAL FUNDS |  |       |       |       |       |       |
| OTHER         |  |       |       |       |       |       |
| TOTAL         |  |       |       |       |       |       |

POSITIONS:

|           |  |    |    |    |    |    |
|-----------|--|----|----|----|----|----|
| FULL-TIME |  | 10 | 10 | 10 | 10 | 10 |
| PART-TIME |  |    |    |    |    |    |
| TEMPORARY |  |    |    |    |    |    |

ANALYSIS : (Attach a separate page if necessary)

FY 89 request includes a transfer of \$662.1 from the Department of Revenue and \$133.0 in one-time items. See enclosed for more details.

Prepared by: *Lewey Boone* / Lewey Boone, Director Phone: 465-4120  
 Division: Administration Date: 03/04/88

Approved by Commissioner: *Don W. Collinsworth* / Don W. Collinsworth Date: 03/04/88  
 Agency: Fish and Game

Distribution (by preparer):  
 Legislative Finance  
 Legislative Sponsor  
 Requestor  
 Office of Management and Budget  
 Impacted Agency(ies)

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MAR 8 1988

HB 510

DEPARTMENT OF FISH AND GAME - FISCAL NOTE TO ACCOMPANY HB510

TRANSFER OF FUNDING FROM THE DEPT. OF REVENUE:  
 =====

PERSONAL SERVICES:

|                              |      |       |
|------------------------------|------|-------|
| Revenue Licensing Supervisor | 54.8 |       |
| Accounting Supervisor I      | 46.7 |       |
| Clerk Typist II              | 26.9 |       |
| Accounting Clerk II          | 31.4 |       |
| Clerk Typist III             | 28.3 |       |
| Data Entry Center Supervisor | 38.7 |       |
| Subtotal                     |      | 226.8 |

CONTRACTUAL:

|                              |       |       |
|------------------------------|-------|-------|
| Printing, Postage, Telephone | 36.8  |       |
| Wang VS & Maintenance Costs  | 39.0  |       |
| Other Contractual            | 0.3   |       |
| Vendor Compensation          | 356.6 |       |
| Subtotal                     |       | 432.7 |

SUPPLIES: 2.6

SUBTOTAL REVENUE TRANSFER 662.1

PROPOSED ADDITIONS BY DEPT. OF FISH AND GAME:  
 =====

PERSONAL SERVICES:

|                          |      |       |
|--------------------------|------|-------|
| Programmer/Analyst III   | 48.4 |       |
| Data Processing Clerk I  | 28.5 |       |
| Accounting Supervisor II | 44.3 |       |
| Accounting Technician II | 38.9 |       |
| Subtotal                 |      | 160.1 |

TRAVEL: 7.8

CONTRACTUAL:

|                            |        |        |
|----------------------------|--------|--------|
| Postage, Phones, Copier    | 14.5   |        |
| Printing                   | 20.0   |        |
| Reduce Vendor compensation | -160.4 |        |
| Subtotal                   |        | -125.9 |

SUPPLIES: 7.4

ONE TIME COSTS

|                          |       |
|--------------------------|-------|
| Space modify/telephone   | 13.0  |
| Computer/Optical Scanner | 105.0 |
| Microfilm/Verticle files | 15.0  |

SUBTOTAL ONE TIME ITEMS 133.0

SUBTOTAL FISH & GAME ADDITIONS 182.4

SUMMARY OF TOTAL REQUEST

|                               |        |
|-------------------------------|--------|
| REVENUE TRANSFER TO ADF&G     | 662.1  |
| ADF&G ADDITIONS               | 209.8  |
| CHANGE TO VENDOR COMPENSATION | -160.4 |
| ADF&G ONE TIME ITEMS          | 133.0  |
| TOTAL REQUEST                 | 844.5  |

ANALYSIS OF AGENT COMPENSATION ALTERNATIVES

| AGENT SALES          | NO. OF VENDORS | AVERAGE PER VENDOR SALES | EXISTING                           |                              | NEW METHOD                          |                               | CHANGE IN TOTAL COMPENSATION |
|----------------------|----------------|--------------------------|------------------------------------|------------------------------|-------------------------------------|-------------------------------|------------------------------|
|                      |                |                          | AVG. SINGLE VENDOR COMP. CURRENTLY | TOTAL VENDOR COMP. CURRENTLY | AVG. SINGLE VENDOR COMP. NEW METHOD | TOTAL VENDOR COMP. NEW METHOD |                              |
| Under 50 licenses    | 667            | 30                       | \$50                               | \$33,350                     | \$50                                | \$33,350                      | NO CHANGE                    |
| 51 to 1000 licenses  | 183            | 450                      | \$450                              | \$82,350                     | \$300                               | \$54,900                      | (\$27,450)                   |
| 1001 to 5000 license | 65             | 2300                     | \$2,300                            | \$149,500                    | \$775                               | \$50,375                      | (\$99,125)                   |
| 5001 and up licenses | 35             | 5775                     | \$5,775                            | \$202,125                    | \$1,644                             | \$57,540                      | (\$144,585)                  |
| TOTAL COMPENSATION   |                |                          |                                    | \$467,325                    | \$196,165                           | (\$271,160)                   |                              |

NOTES:

1. This compensation analysis is for demonstration purposes only and does not reflect actual activity.
2. Most vendors, particularly those in small towns and villages fit in the category of selling 50 licenses or less per year. They will see NO change in their reimbursement.
3. All vendors, regardless of sales volume, keep 5% of total receipts. The compensation dealt with here reflects an additional amount based on actual number of licenses sold.
4. Amounts listed under current are based on all vendors receiving \$1 per license sold.
5. Amounts listed under new method are based on changing to a sliding scale:  
\$1 per license for the first 50 with a minimum of \$50; \$.75 for the next 200 licenses;  
\$.50 for the next 250 licenses; and \$.25 for each license over 500.
6. Projected savings in fiscal note is based on the next to last column, Total Vendor New Method, \$196.2 subtracted from the Revenue transfer of \$356.6.  $356.6 - 196.2 = 160.4$



STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
BILL ANALYSIS

|   |                            |  |                       |
|---|----------------------------|--|-----------------------|
| DEPARTMENT<br>Fish and Game   | DIVISION<br>Administration | BILL NUMBER<br>HB 510                              | SPONSOR<br>Rep. Boyer |
| SHORT TITLE OF BILL<br>An Act transferring responsibility for the issuance of certain licenses... |                            |  |                       |
| DEPARTMENT POSITION<br>In favor of bill   |                            |  |                       |
| PREPARED BY<br><i>Beverly Réaume</i><br>Beverly Réaume  | DATE<br>03/04/88           | COMMISSIONER'S SIGNATURE<br><i>Donna J. L. ...</i> | DATE<br>03/04/88      |

SUMMARY

|  |                                       |
|--|---------------------------------------|
| OTHER AGENCIES AFFECTED BY BILL<br>Department of Revenue | CONSTITUENT GROUP(S) AFFECTED BY BILL |
| ORGANIZATIONAL SUPPORT FOR BILL                          | ORGANIZATIONAL OPPOSITION TO BILL     |

FISCAL IMPACT:  NONE  FISCAL NOTE ATTACHED

BACKGROUND/LEGISLATIVE INTENT

The intent of HB 510 is to transfer all responsibility for the sale of all fishing and hunting licenses from the Department of Revenue to the Department of Fish and Game.

ANALYSIS OF BILL/PROGRAM EFFECTS

Please see enclosed.

AMENDMENTS PROPOSED

See enclosed highlighted copy of HB510.

PLEASE ATTACH A SEPARATE SHEET FOR ADDITIONAL COMMENTS OR ANALYSIS.

DEPARTMENT OF FISH AND GAME  
Bill Analysis on HB 510

Brief analysis and explanation for proposed increases/decreases:

In analyzing the current licensing function, the Department of Fish and Game (ADF&G) has found that the section is critically in need of a complete revamping. There are currently something in excess of 900 vendors who sell 450,000 fishing/hunting licenses, 40,000 to 60,000 crew member licenses plus assorted tags and stamps. Data entry and data manipulation appear to be inadequate. Data processing capabilities consist of a six year old mini computer that was never adequately programmed and does not begin to address information needs. For example, it was impossible for ADF&G to determine an exact number of vendors or get any idea of the volume per vendor without manually counting them. To remedy this we propose the following additions:

Personal Services:

Add a programmer to develop a state-of-the art processing system that will provide data to the various agencies in a timely matter, automatically calculate vendor compensation and activity, provide statistical data for follow-up collection efforts and replace the current labor-intensive method of handling licensing.

Add a data entry clerk to enter data from licenses and vendor reports. The Department of Revenue (DOR) estimates (see DOR fiscal note) that three additional employees would need to be added in order to adequately enter data. We (ADF&G) propose adding only one since we further intend to use optical scanning of licenses for a major portion of the data entry.

We propose to add an accounting supervisor and technician to develop and implement a system of reconciling vendor accounts and provide the necessary follow-up to collect all amounts due to the state. It appears that a minimum of \$100,000 and perhaps as much as 300.0 now remains uncollected from vendors due to a lack of staff and sufficient funding to allow audits and for collection enforcement.

Travel, Contractual, Supplies (excluding vendor compensation):

Office space for the licensing section must be consolidated as space is realigned among the Departments of Revenue, Commerce, Fish and Game and Labor. Included under this category are the necessary one-time costs for this relocation.

The increase in printing would be for a complete redesign of the license form itself, primarily to accommodate optical scanning.

Also included in this category would be travel costs associated with vendor audits and reconciliation of their accounts, including collection efforts.

The remaining funds under this category would bring the section to full funding based on discussions with current DOR staff.

Vendor Compensation:

Currently vendors are compensated in the following manner:

Retention of 5% of sales; and

\$1 per license sold with a minimum of \$50

We proposed modifying this compensation as follows:

Retain the automatic retention of 5% of sales;

Modify the reimbursement for each sale as follows:

\$1 each for the first 50 licenses, with a \$50 minimum;

\$.75 for 50 to 250 licenses,

\$.50 for 251 to 500 licenses,

\$.25 for 501 and above licenses.

See schedule on page 3 of the fiscal note for our analysis of change.

Equipment:

This allows for replacement of current inadequate equipment with data processing equipment that is compatible with existing ADF&G equipment (IBM compatible) and movement to optical scanning of licenses. We have had insufficient time to determine exactly what form the new system will take. That is, whether it would be micro-, mini-, or mainframe-computer based. While the mainframe might be a logical choice, it is currently operating at its upper limits and it's uncertain whether we could add another large, new system. The \$75,000 being requested would supply microcomputers or redesign of the system whether mainframe or minibased. It would be a one-time cost.

As indicated above, optical scanning of licenses would be far more efficient than present labor-intensive data capture methods, even if they were adequately capturing data. This would be a one-time cost.

There are presently 16 file cabinets of information. While some of this is necessary in a hard copy form, much of it could be microfilmed. ADF&G currently has a microfilmer and the proposed request would expand this capability.

Also remaining files would be replaced by more space efficient verticle files.

STATE OF ALASKA  
1988 LEGISLATIVE SESSION

BILL VERSION: SCS for CSHB 510 (RES)  
PUBLISH DATE: 2/15/88

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_  
Title: "An Act transferring issuance of fishing, hunting, trapping licenses..."  
Sponsor: Boyer  
Requestor: Finance

Agency Affected: Revenue  
BRU: Income and Excise Audit Division  
Components: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

|                    | FY 88 | FY 89   | FY 90 | FY 91 | FY 92 | FY 93 |
|--------------------|-------|---------|-------|-------|-------|-------|
| <b>OPERATING</b>   |       |         |       |       |       |       |
| PERSONAL SERVICES  | 0     | (226.8) | 0     | 0     | 0     | 0     |
| TRAVEL             | 0     | 0       | 0     | 0     | 0     | 0     |
| CONTRACTUAL        | 0     | (432.7) | 0     | 0     | 0     | 0     |
| SUPPLIES           | 0     | (2.6)   | 0     | 0     | 0     | 0     |
| EQUIPMENT          | 0     | 0       | 0     | 0     | 0     | 0     |
| LANDS & STRUCTURES | 0     | 0       | 0     | 0     | 0     | 0     |
| GRANTS, CLAIMS     | 0     | 0       | 0     | 0     | 0     | 0     |
| MISCELLANEOUS      | 0     | 0       | 0     | 0     | 0     | 0     |
| TOTAL OPERATING    | 0     | (662.1) | 0     | 0     | 0     | 0     |
| <b>CAPITAL</b>     | 0     | 0       | 0     | 0     | 0     | 0     |
| <b>REVENUE</b>     | 0     | 0       | 0     | 0     | 0     | 0     |

FUNDING: (Thousands of Dollars)

|               |   |         |   |   |   |   |
|---------------|---|---------|---|---|---|---|
| GENERAL FUND  | 0 | (662.1) | 0 | 0 | 0 | 0 |
| FEDERAL FUNDS | 0 | 0       | 0 | 0 | 0 | 0 |
| OTHER         | 0 | 0       | 0 | 0 | 0 | 0 |
| TOTAL         | 0 | (662.1) | 0 | 0 | 0 | 0 |

POSITIONS:

|           |   |     |   |   |   |   |
|-----------|---|-----|---|---|---|---|
| FULL-TIME | 0 | (6) | 0 | 0 | 0 | 0 |
| PART-TIME | 0 | 0   | 0 | 0 | 0 | 0 |
| TEMPORARY | 0 | 0   | 0 | 0 | 0 | 0 |

ANALYSIS: (Attach a separate page if necessary)

See attached analysis.

Prepared By: Steven E. Kettel, Director  
Division: Income and Excise Audit Division

Phone: (907) 465-2320  
Date: April 27, 1988

Approved by Commissioner: Hugh Malone  
Agency: Department of Revenue

Date: April 27, 1988

Distribution (by preparer):  
Legislative Finance  
Legislative Sponsor  
Requestor  
Office of Management and Budget  
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APR 29 1988

Prepared By: Steven E. Kettel  
Income and Excise Audit Division  
Department of Revenue  
April 27, 1988

HB 510 Analysis

The Department of Revenue supports this legislation transferring the fish and game licensing program to the Department of Fish and Game.

This program consists of the following features:

- 1) coordination of statewide sales of fish and game licenses, tags, permits and duck stamps through over 900 private vendors;
- 2) design and mailout of licenses and forms;
- 3) data capture of monthly, quarterly, and annual sales reports from the vendors;
- 4) processing and deposit of cash receipts;
- 5) reconciliation of vendor reports to cash receipts; and
- 6) paying additional compensation to vendors based upon the number of licenses sold.

The Department of Revenue suggests a January 1, 1989 effective date for the following reasons:

- a) This program is run on a calendar year basis, and transfer mid-year would adversely impact the smooth operation of the program.
- b) The department is in the planning phase for automating this program and a January 1 transition date will give us additional time to complete the work.

To effect the transfer, the Department will give the Department of Fish and Game the resources it has allocated to the program, including:

- 1) Data processing software and documentation including file layouts, flow chart, program listing, data file tapes, etc., assuring that Fish and Game would convert the data from a Wang file structure to an IBM file structure and the Wang COBOL programs to IBM COBOL programs. Utilizing pre-1986 IBM programs would require some modification. Assuming Fish and Game retains a Wang structure, the Department is willing to transfer a Wang VS 85 mainframe and program related peripheral equipment to the Department of Fish and Game.

Prepared By: Steven E. Kettel  
Income and Excise Audit Division  
Department of Revenue  
April 27, 1988

HB 510 Analysis (Cont.)

2) Transfer of funding will include:

A) Personal Services

The following positions will transfer from the Income and Excise Audit Division with associated funding of \$188.1:

| <u>Position</u>              | <u>Range/Step</u> | <u>FY 89 Budget</u> |
|------------------------------|-------------------|---------------------|
| Revenue Licensing Supervisor | 16K               | \$54.8              |
| Accounting Supervisor I      | 14J               | \$46.7              |
| Clerk Typist II              | 7B                | \$26.9              |
| Accounting Clerk II          | 9D                | \$31.4              |
| Clerk Typist III             | 8B                | \$28.3              |
|                              |                   | <u>\$188.1</u>      |

The following position will transfer from the Administrative Services Division with associated funding of \$38.7:

| <u>Position</u>              | <u>Range/Step</u> | <u>FY 89 Budget</u> |
|------------------------------|-------------------|---------------------|
| Data Entry Center Supervisor | 14A               | \$38.7              |

B) Contractual

The following associated funds will transfer from the Income and Excise Audit Division:

|                               |               |
|-------------------------------|---------------|
| Vendor Compensation:          | \$356.6       |
| Printing, Postage, Telephone: | <u>\$36.8</u> |
|                               | \$393.4       |

The following associated funds will transfer from the Administrative Services Division:

|                              |             |
|------------------------------|-------------|
| Wang VS & Maintenance costs: | \$39.0      |
| Other contractual costs:     | <u>\$.3</u> |
|                              | \$39.3      |

C) Supplies

The transfer of associated supply funds from the Income and Excise Audit Division will be \$2.5.

The transfer of associated supply funds from the Administrative Services Division will be: \$.1

Prepared By: Steven E. Kettel  
Income and Excise Audit Division  
Department of Revenue  
April 27, 1988

HB 510 Analysis (Cont.)

SUMMARY OF TRANSFERS:

|                   |              |
|-------------------|--------------|
| Personal Services | \$226.8      |
| Contractual       | \$432.7      |
| Supplies          | <u>\$2.6</u> |
| Total Transfer:   | \$662.1      |

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_  
Title: "An Act transferring issuance of fishing, hunting, trapping licenses."  
Sponsor: Representative Boyer  
Requestor: Resources & Finance

Agency Affected: Revenue  
BRU: Income and Excise Audit Division  
Components: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

|                    | FY 86 | FY 89   | FY 90 | FY 91 | FY 92 | FY 93 |
|--------------------|-------|---------|-------|-------|-------|-------|
| OPERATING          |       |         |       |       |       |       |
| PERSONAL SERVICES  | -     | (226.6) | -     | -     | -     | -     |
| TRAVEL             | -     | -       | -     | -     | -     | -     |
| CONTRACTUAL        | -     | (432.7) | -     | -     | -     | -     |
| SUPPLIES           | -     | (2.6)   | -     | -     | -     | -     |
| EQUIPMENT          | -     | -       | -     | -     | -     | -     |
| LANDS & STRUCTURES | -     | -       | -     | -     | -     | -     |
| GRANTS, CLAIMS     | -     | -       | -     | -     | -     | -     |
| MISCELLANEOUS      | -     | -       | -     | -     | -     | -     |
| TOTAL OPERATING    | -     | (662.1) | -     | -     | -     | -     |
| CAPITAL            | -     | -       | -     | -     | -     | -     |
| REVENUE            | -     | -       | -     | -     | -     | -     |

FUNDING: (Thousands of Dollars)

|               |   |   |   |   |   |   |
|---------------|---|---|---|---|---|---|
| GENERAL FUND  | - | - | - | - | - | - |
| FEDERAL FUNDS | - | - | - | - | - | - |
| OTHER         | - | - | - | - | - | - |
| TOTAL         | - | - | - | - | - | - |

POSITIONS:

|           |   |     |   |   |   |   |
|-----------|---|-----|---|---|---|---|
| FULL-TIME | - | (6) | - | - | - | - |
| PART-TIME | - | -   | - | - | - | - |
| TEMPORARY | - | -   | - | - | - | - |

ANALYSIS: (Attach a separate page if necessary)

(see attached analysis)

Prepared By: Steven E. Kettel, Director Phone: (907) 465-2320  
Division: Income and Excise Audit Division Date: 03/04/88

Approved by Commissioner: Hugh Malone Date: 03/04/88  
Agency: Department of Revenue

Distribution (by preparer):  
Legislative Finance  
Legislative Sponsor  
Requestor  
Office of Management and Budget  
Impacted Agency(ies)

Prepared By: Steven E. Kettel  
Income and Excise Audit Division  
Department of Revenue  
February 20, 1988

HB 510 Analysis

The Department of Revenue supports this legislation transferring the fish and game licensing program to the Department of Fish and Game.

This program consists of the following features:

- 1) coordination of statewide sales of fish and game licenses, tags, permits and duck stamps through over 900 private vendors;
- 2) design and mailout of licenses and forms;
- 3) data capture of monthly, quarterly, and annual sales reports from the vendors;
- 4) processing and deposit of cash receipts;
- 5) reconciliation of vendor reports to cash receipts; and
- 6) paying additional compensation to vendors based upon the number of licenses sold.

The Department of Revenue suggests a January 1, 1989 effective date for the following reasons:

- a) This program is run on a calendar year basis, and transfer mid-year would adversely impact the smooth operation of the program.
- b) The department is in the planning phase for automating this program and a January 1 transition date will give us additional time to complete the work.

To effect the transfer, the Department will give the Department of Fish and Game the resources it has allocated to the program, including:

- 1) Data processing software and documentation including file layouts, flow chart, program listing, data file tapes, etc., assuring that Fish and Game would convert the data from a Wang file structure to an IBM file structure and the Wang COBOL programs to IBM COBOL programs. Utilizing pre-1986 IBM programs would require some modification. Assuming Fish and Game retains a Wang structure, the Department is willing to transfer a Wang VS 85 mainframe and program related peripheral equipment to the Department of Fish and Game.

HB 510 Analysis (Cont.)

2) Transfer of funding will include:

A) Personal Services

The following positions will transfer from the Income and Excise Audit Division with associated funding of \$188.1:

| <u>Position</u>              | <u>Range/Step</u> | <u>FY 89 Budget</u> |
|------------------------------|-------------------|---------------------|
| Revenue Licensing Supervisor | 16K               | \$54.8              |
| Accounting Supervisor I      | 14J               | \$46.7              |
| Clerk Typist II              | 7B                | \$26.9              |
| Accounting Clerk II          | 9D                | \$31.4              |
| Clerk Typist III             | 8B                | \$28.3              |
|                              |                   | <u>\$188.1</u>      |

The following position will transfer from the Administrative Services Division with associated funding of \$38.7:

| <u>Position</u>              | <u>Range/Step</u> | <u>FY 89 Budget</u> |
|------------------------------|-------------------|---------------------|
| Data Entry Center Supervisor | 14A               | \$38.7              |

B) Contractual

The following associated funds will transfer from the Income and Excise Audit Division:

|                               |               |
|-------------------------------|---------------|
| Vendor Compensation:          | \$356.6       |
| Printing, Postage, Telephone: | <u>\$36.8</u> |
|                               | \$393.4       |

The following associated funds will transfer from the Administrative Services Division:

|                              |             |
|------------------------------|-------------|
| Wang VS & Maintenance costs: | \$39.0      |
| Other contractual costs:     | <u>\$.3</u> |
|                              | \$39.3      |

C) Supplies

The transfer of associated supply funds from the Income and Excise Audit Division will be \$2.5.

The transfer of associated supply funds from the Administrative Services Division will be: \$.1

SUMMARY OF TRANSFERS:

|                   |              |
|-------------------|--------------|
| Personal Services | \$226.8      |
| Contractual       | \$432.7      |
| Supplies          | <u>\$2.6</u> |
| Total Transfer:   | \$662.1      |

R10 3/23

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_  
Title: An Act transferring responsibility  
for the issuance of certain fishing...  
Sponsor: Rep. Boyer  
Requestor: Rep. Boyer

Agency Affected: Fish and Game  
BRU: Administration & Support  
Components: Administrative Services

EXPENDITURES/REVENUES: (Thousands of Dollars)

| OPERATING         | FY 88 | FY 89  | FY 90 | FY 91 | FY 92 | FY 93 |
|-------------------|-------|--------|-------|-------|-------|-------|
| PERSONAL SERVICES |       | 386.9  | 390.0 | 390.0 | 390.0 | 390.0 |
| TRAVEL            |       | 7.8    | 8.0   | 8.0   | 8.0   | 8.0   |
| CONTRACTUAL       |       | 547.2  | 550.0 | 550.0 | 550.0 | 550.0 |
| SUPPLIES          |       | 10.0   | 10.0  | 10.0  | 10.0  | 10.0  |
| EQUIPMENT         |       | 120.0  | 0     | 0     | 0     | 0     |
| LAND & STRUCTURES |       |        |       |       |       |       |
| GRANTS, CLAIMS    |       |        |       |       |       |       |
| MISCELLANEOUS     |       |        |       |       |       |       |
| TOTAL OPERATING   |       | 1071.9 | 958.0 | 958.0 | 958.0 | 958.0 |

|         |  |  |  |  |  |  |
|---------|--|--|--|--|--|--|
| CAPITAL |  |  |  |  |  |  |
|---------|--|--|--|--|--|--|

|         |  |        |        |         |         |         |
|---------|--|--------|--------|---------|---------|---------|
| REVENUE |  | 9800.5 | 9850.0 | 10050.0 | 10240.0 | 10400.0 |
|---------|--|--------|--------|---------|---------|---------|

\$100.0 to \$300.0 of revenue is currently uncollectable

FUNDING: (Thousands of Dollars)

|               |  |        |       |       |       |       |
|---------------|--|--------|-------|-------|-------|-------|
| GENERAL FUND  |  | 1071.9 | 958.0 | 958.0 | 958.0 | 958.0 |
| FEDERAL FUNDS |  |        |       |       |       |       |
| OTHER         |  |        |       |       |       |       |
| TOTAL         |  |        |       |       |       |       |

POSITIONS:

|           |  |    |    |    |    |    |
|-----------|--|----|----|----|----|----|
| FULL-TIME |  | 10 | 10 | 10 | 10 | 10 |
| PART-TIME |  |    |    |    |    |    |
| TEMPORARY |  |    |    |    |    |    |

ANALYSIS : (Attach a separate page if necessary)

FY 89 request includes a transfer of \$662.1 from the Department of Revenue and \$133.0 in one-time items. See enclosed for more details.

Prepared by: Beverly Reaume, Director  
Division: Administration

Phone: 465-4120  
Date: 04/27/88

Approved by Commissioner: Don W. Pittsworth  
Agency: Fish and Game

Date: 04/27/88

Distribution (by preparer):  
Legislative Finance  
Legislative Sponsor  
Requestor  
Office of Management and Budget  
Impacted Agency(ies)

**RECEIVED**

APR 27 1988

LEGISLATIVE FINANCE

DEPARTMENT OF FISH AND GAME - FISCAL NOTE TO ACCOMPANY HB510

TRANSFER OF FUNDING FROM THE DEPT. OF REVENUE:

PERSONAL SERVICES:

|                              |       |
|------------------------------|-------|
| Revenue Licensing Supervisor | 54.8  |
| Accounting Supervisor I      | 46.7  |
| Clerk Typist II              | 26.9  |
| Accounting Clerk II          | 31.4  |
| Clerk Typist III             | 28.3  |
| Data Entry Center Supervisor | 38.7  |
| Subtotal                     | 226.8 |

CONTRACTUAL:

|                              |       |
|------------------------------|-------|
| Printing, Postage, Telephone | 36.8  |
| Wang VS & Maintenance Costs  | 39.0  |
| Other Contractual            | 0.3   |
| Vendor Compensation          | 356.6 |
| Subtotal                     | 432.7 |

SUPPLIES: 2.6

SUBTOTAL REVENUE TRANSFER 662.1

PROPOSED ADDITIONS BY DEPT. OF FISH AND GAME:

PERSONAL SERVICES:

|                          |       |
|--------------------------|-------|
| Programmer/Analyst III   | 48.4  |
| Data Processing Clerk I  | 28.5  |
| Accounting Supervisor II | 44.3  |
| Accounting Technician II | 38.9  |
| Subtotal                 | 160.1 |

TRAVEL: 7.8

CONTRACTUAL:

|                                |       |
|--------------------------------|-------|
| Postage, Phones, Copier        | 14.5  |
| Printing                       | 20.0  |
| Fully fund vendor compensation | 67.0  |
| Subtotal                       | 101.5 |

SUPPLIES: 7.4

ONE TIME COSTS

|                          |       |
|--------------------------|-------|
| Space modify/telephone   | 13.0  |
| Computer/Optical Scanner | 105.0 |
| Microfilm/Verticle files | 15.0  |

SUBTOTAL ONE TIME ITEMS 133.0

SUBTOTAL FISH & GAME ADDITIONS 409.8

SUMMARY OF TOTAL REQUEST

|                                |        |
|--------------------------------|--------|
| REVENUE TRANSFER TO ADF&G      | 662.1  |
| ADF&G ADDITIONS                | 209.8  |
| FULLY FUND VENDOR COMPENSATION | 67.0   |
| ADF&G ONE TIME ITEMS           | 133.0  |
| TOTAL REQUEST                  | 1071.9 |



STATE OF ALASKA  
OFFICE OF THE GOVERNOR

**BILL ANALYSIS**

|   |                            |   |                       |
|---|----------------------------|---|-----------------------|
| DEPARTMENT<br>Fish and Game   | DIVISION<br>Administration | BILL NUMBER<br>HB 510                               | SPONSOR<br>Rep. Boyer |
| SHORT TITLE OF BILL<br>An Act transferring responsibility for the issuance of certain licenses... |                            |   |                       |
| DEPARTMENT POSITION<br>In favor of bill   |                            |   |                       |
| PREPARED BY<br><i>Beverly Reaume</i><br>Beverly Reaume  | DATE<br>03/04/88           | COMMISSIONER'S SIGNATURE<br><i>Donna L. Johnson</i> | DATE<br>03/04/88      |

**SUMMARY**

|  |                                       |
|--|---------------------------------------|
| OTHER AGENCIES AFFECTED BY BILL<br><br>Department of Revenue | CONSTITUENT GROUP(S) AFFECTED BY BILL |
| ORGANIZATIONAL SUPPORT FOR BILL                              | ORGANIZATIONAL OPPOSITION TO BILL     |

FISCAL IMPACT:  NONE  FISCAL NOTE ATTACHED

BACKGROUND/LEGISLATIVE INTENT

The intent of HB 510 is to transfer all responsibility for the sale of all fishing and hunting licenses from the Department of Revenue to the Department of Fish and Game.

ANALYSIS OF BILL/PROGRAM EFFECTS

Please see enclosed.

AMENDMENTS PROPOSED

See enclosed highlighted copy of HB510.

PLEASE ATTACH A SEPARATE SHEET FOR ADDITIONAL COMMENTS OR ANALYSIS.

DEPARTMENT OF FISH AND GAME  
Bill Analysis on HB 510

Brief analysis and explanation for proposed increases/decreases:

In analyzing the current licensing function, the Department of Fish and Game (ADF&G) has found that the section is critically in need of a complete revamping. There are currently something in excess of 900 vendors who sell 450,000 fishing/hunting licenses, 40,000 to 60,000 crew member licenses plus assorted tags and stamps. Data entry and data manipulation appear to be inadequate. Data processing capabilities consist of a six year old mini computer that was never adequately programmed and does not begin to address information needs. For example, it was impossible for ADF&G to determine an exact number of vendors or get any idea of the volume per vendor without manually counting them. To remedy this we propose the following additions:

Personal Services:

Add a programmer to develop a state-of-the art processing system that will provide data to the various agencies in a timely matter, automatically calculate vendor compensation and activity, provide statistical data for follow-up collection efforts and replace the current labor-intensive method of handling licensing.

Add a data entry clerk to enter data from licenses and vendor reports. The Department of Revenue (DOR) estimates (see DOR fiscal note) that three additional employees would need to be added in order to adequately enter data. We (ADF&G) propose adding only one since we further intend to use optical scanning of licenses for a major portion of the data entry.

We propose to add an accounting supervisor and technician to develop and implement a system of reconciling vendor accounts and provide the necessary follow-up to collect all amounts due to the state. It appears that a minimum of \$100,000 and perhaps as much as 300.0 now remains uncollected from vendors due to a lack of staff and sufficient funding to allow audits and for collection enforcement.

Travel, Contractual, Supplies (excluding vendor compensation):

Office space for the licensing section must be consolidated as space is realigned among the Departments of Revenue, Commerce, Fish and Game and Labor. Included under this category are the necessary one-time costs for this relocation.

The increase in printing would be for a complete redesign of the license form itself, primarily to accommodate optical scanning.

Also included in this category would be travel costs associated with vendor audits and reconciliation of their accounts, including collection efforts.

The remaining funds under this category would bring the section to full funding based on discussions with current DOR staff.

Vendor Compensation:

Currently vendors are compensated in the following manner:

Retention of 5% of sales; and

\$1 per license sold with a minimum of \$50

We proposed modifying this compensation as follows:

Retain the automatic retention of 5% of sales;

Modify the reimbursement for each sale as follows:

\$1 each for the first 50 licenses, with a \$50 minimum;

\$.75 for 50 to 250 licenses,

\$.50 for 251 to 500 licenses,

\$.25 for 501 and above licenses.

See schedule on page 3 of the fiscal note for our analysis of change.

Equipment:

This allows for replacement of current inadequate equipment with data processing equipment that is compatible with existing ADF&G equipment (IBM compatible) and movement to optical scanning of licenses. We have had insufficient time to determine exactly what form the new system will take. That is, whether it would be micro-, mini-, or mainframe-computer based. While the mainframe might be a logical choice, it is currently operating at its upper limits and it's uncertain whether we could add another large, new system. The \$75,000 being requested would supply microcomputers or redesign of the system whether mainframe or minibased. It would be a one-time cost.

As indicated above, optical scanning of licenses would be far more efficient than present labor-intensive data capture methods, even if they were adequately capturing data. This would be a one-time cost.

There are presently 16 file cabinets of information. While some of this is necessary in a hard copy form, much of it could be microfilmed. ADF&G currently has a microfilmer and the proposed request would expand this capability.

Also remaining files would be replaced by more space efficient verticle files.

**FISCAL NOTE**

**REQUEST:**

Revision Date: \_\_\_\_\_  
Title: An Act transferring responsibility  
for the issuance of certain fishing...  
Sponsor: Rep. Boyer  
Requestor: Rep. Boyer

Agency Affected: Fish and Game  
BRU: Administration & Support  
Components: Administrative Services

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

| OPERATING              | FY 88 | FY 89        | FY 90        | FY 91        | FY 92        | FY 93        |
|------------------------|-------|--------------|--------------|--------------|--------------|--------------|
| PERSONAL SERVICES      |       | 386.9        | 390.0        | 390.0        | 390.0        | 390.0        |
| TRAVEL                 |       | 7.8          | 8.0          | 8.0          | 8.0          | 8.0          |
| CONTRACTUAL            |       | 310.9        | 322.0        | 322.0        | 322.0        | 322.0        |
| SUPPLIES               |       | 10.0         | 10.0         | 10.0         | 10.0         | 10.0         |
| EQUIPMENT              |       | 120.0        | 0            | 0            | 0            | 0            |
| LAND & STRUCTURES      |       |              |              |              |              |              |
| GRANTS, CLAIMS         |       |              |              |              |              |              |
| MISCELLANEOUS          |       |              |              |              |              |              |
| <b>TOTAL OPERATING</b> |       | <b>844.5</b> | <b>730.0</b> | <b>730.0</b> | <b>730.0</b> | <b>730.0</b> |

|         |  |  |  |  |  |  |
|---------|--|--|--|--|--|--|
| CAPITAL |  |  |  |  |  |  |
|---------|--|--|--|--|--|--|

|         |  |         |         |          |          |          |
|---------|--|---------|---------|----------|----------|----------|
| REVENUE |  | 9,800.5 | 9,850.0 | 10,050.0 | 10,240.0 | 10,400.0 |
|---------|--|---------|---------|----------|----------|----------|

\$100.0 to \$300.0 of revenue is currently uncollectable

**FUNDING: (Thousands of Dollars)**

|               |  |       |       |       |       |       |
|---------------|--|-------|-------|-------|-------|-------|
| GENERAL FUND  |  | 844.5 | 730.0 | 730.0 | 730.0 | 730.0 |
| FEDERAL FUNDS |  |       |       |       |       |       |
| OTHER         |  |       |       |       |       |       |
| <b>TOTAL</b>  |  |       |       |       |       |       |

**POSITIONS:**

|           |  |    |    |    |    |    |
|-----------|--|----|----|----|----|----|
| FULL-TIME |  | 10 | 10 | 10 | 10 | 10 |
| PART-TIME |  |    |    |    |    |    |
| TEMPORARY |  |    |    |    |    |    |

**ANALYSIS :** (Attach a separate page if necessary)

FY 89 request includes a transfer of \$662.1 from the Department of Revenue and \$133.0 in one-time items. See enclosed for more details.

Prepared by: Beverly Reaume, Director Phone: 465-4120  
Division: Administration Date: 03/04/88

Approved by Commissioner: Don W. Collinsworth Date: 03/04/88  
Agency: Fish and Game

**Distribution (by preparer):**

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

DEPARTMENT OF FISH AND GAME - FISCAL NOTE TO ACCOMPANY HB510

TRANSFER OF FUNDING FROM THE DEPT. OF REVENUE:

PERSONAL SERVICES:

|                              |      |       |
|------------------------------|------|-------|
| Revenue Licensing Supervisor | 54.8 |       |
| Accounting Supervisor I      | 46.7 |       |
| Clerk Typist II              | 25.9 |       |
| Accounting Clerk II          | 31.4 |       |
| Clerk Typist III             | 28.3 |       |
| Data Entry Center Supervisor | 38.7 |       |
| Subtotal                     |      | 226.8 |

CONTRACTUAL:

|                              |       |       |
|------------------------------|-------|-------|
| Printing, Postage, Telephone | 36.8  |       |
| Wang VS & Maintenance Costs  | 39.0  |       |
| Other Contractual            | 0.3   |       |
| Vendor Compensation          | 356.6 |       |
| Subtotal                     |       | 432.7 |

SUPPLIES: 2.6

SUBTOTAL REVENUE TRANSFER 662.1

SUMMARY OF TOTAL REQUEST

|                               |        |
|-------------------------------|--------|
| REVENUE TRANSFER TO ADF&G     | 662.1  |
| ADF&G ADDITIONS               | 209.8  |
| CHANGE TO VENDOR COMPENSATION | -160.4 |
| ADF&G ONE TIME ITEMS          | 133.0  |
| TOTAL REQUEST                 | 844.5  |

PROPOSED ADDITIONS BY DEPT. OF FISH AND GAME:

PERSONAL SERVICES:

|                          |      |       |
|--------------------------|------|-------|
| Programmer/Analyst III   | 48.4 |       |
| Data Processing Clerk I  | 28.5 |       |
| Accounting Supervisor II | 44.3 |       |
| Accounting Technician II | 38.9 |       |
| Subtotal                 |      | 160.1 |

TRAVEL: 7.8

CONTRACTUAL:

|                            |        |        |
|----------------------------|--------|--------|
| Postage, Phones, Copier    | 14.5   |        |
| Printing                   | 20.0   |        |
| Reduce Vendor compensation | -160.4 |        |
| Subtotal                   |        | -125.9 |

SUPPLIES: 7.4

ONE TIME COSTS

|                          |       |
|--------------------------|-------|
| Space modify/telephone   | 13.0  |
| Computer/Optical Scanner | 105.0 |
| Microfilm/Verticle files | 15.0  |

SUBTOTAL ONE TIME ITEMS 133.0

SUBTOTAL FISH & GAME ADDITIONS 182.4

ANALYSIS OF AGENT COMPENSATION ALTERNATIVES

| AGENT SALES          | NO. OF VENDORS | AVERAGE PER VENDOR SALES | EXISTING                           |                              | NEW METHOD                          |                               | CHANGE IN TOTAL COMPENSATION |
|----------------------|----------------|--------------------------|------------------------------------|------------------------------|-------------------------------------|-------------------------------|------------------------------|
|                      |                |                          | AUG. SINGLE VENDOR COMP. CURRENTLY | TOTAL VENDOR COMP. CURRENTLY | AUG. SINGLE VENDOR COMP. NEW METHOD | TOTAL VENDOR COMP. NEW METHOD |                              |
| Under 50 licenses    | 667            | 30                       | \$50                               | \$33,350                     | \$50                                | \$33,350                      | NO CHANGE                    |
| 51 to 1000 licenses  | 183            | 450                      | \$450                              | \$82,350                     | \$300                               | \$54,900                      | (\$27,450)                   |
| 1001 to 5000 license | 65             | 2300                     | \$2,300                            | \$149,500                    | \$775                               | \$50,375                      | (\$99,125)                   |
| 5001 and up licenses | 35             | 5775                     | \$5,775                            | \$202,125                    | \$1,644                             | \$57,540                      | (\$144,585)                  |
| TOTAL COMPENSATION   |                |                          |                                    | \$467,325                    | \$196,165                           | (\$271,160)                   |                              |

NOTES:

1. This compensation analysis is for demonstration purposes only and does not reflect actual activity.
2. Most vendors, particularly those in small towns and villages fit in the category of selling 50 licenses or less per year. They will see NO change in their reimbursement.
3. All vendors, regardless of sales volume, keep 5% of total receipts. The compensation dealt with here reflects an additional amount based on actual number of licenses sold.
4. Amounts listed under current are based on all vendors receiving \$1 per license sold.
5. Amounts listed under new method are based on changing to a sliding scale:  
\$1 per license for the first 50 with a minimum of \$50; \$.75 for the next 200 licenses;  
\$.50 for the next 250 licenses; and \$.25 for each license over 500.
6. Projected savings in fiscal note is based on the next to last column, Total Vendor New Method, \$196.2 subtracted from the Revenue transfer of \$356.6.  $356.6 - 196.2 = 160.4$

# Alaska State Legislature

REPRESENTATIVE  
MARK BOYER

HOUSE FINANCE COMMITTEE



House of Representatives

FAIRBANKS

1098 LAKEVIEW TERRACE  
FAIRBANKS, ALASKA 99701  
(907) 456-6473

JUNEAU

P.O. BOX V  
STATE CAPITOL  
JUNEAU, ALASKA 99811  
(907) 465-3466

## MEMORANDUM

TO: Representative Al Adams, Chairman  
Representative Pat Pourchot, Vice-Chairman  
House Finance Committee

FROM: Representative Mark Boyer

SUBJECT: HB 510, Fish and Game Licensing

DATE: March 23, 1988

HB 510 transfers responsibility for the issuance of fish and game licenses from the Department of Revenue to the Department of Fish and Game. As chairman of the budget subcommittee for the Department of Revenue, I support the efforts of the commissioner to divest the department of functions which do not relate to the enhancement, assessment, or collection of general fund revenues. Administration of the fish and game licensing system, which includes data capture functions for the Departments of Fish and Game, Public Safety, and the Court system has, understandably, not been a high priority of Revenue in light of reduced funding and given the multi-million (and multi-billion) dollar issues which are confronting the department in tax assessment and litigation matters.

Transfer of the licensing function to the Department which has the largest interest in the efficient performance of that function, and for which it will be a very high priority, would seem to be a matter of common sense. It has been estimated that as much as \$300,000 per year in license revenues is uncollected and lost to the Fish and Game Fund under the present administration of the system. In addition to enhancing revenues for the Fish and Game Fund, the transfer will also place responsibility for the data capture aspects of the program to the agency which benefits most from that information. One-time expenditures reflected in the fiscal note will facilitate a complete revamp of the data processing associated with the program, which will improve performance and ultimately reduce costs.

HB 510 also modifies the current system of compensation for license vendors by reducing the amount rebated to larger volume vendors. Additionally, the bill sets up a system of penalties for late transmittal of reports and proceeds by vendors, which should result in increased collection of revenue for the Fish and Game Fund.

1 IN THE HOUSE

BY BOYER

2

HOUSE BILL NO. 510

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act transferring responsibility for the issuance  
7 of certain fishing, hunting, and trapping licenses,  
8 tags, and identification cards from the commissioner  
9 of revenue to the commissioner of fish and game."

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

11 \* Section 1. AS 16.05.335 is amended to read:

12 Sec. 16.05.335. COMPLIMENTARY LICENSES. The commissioner [OF  
13 REVENUE] shall annually, at the request of the governor, provide the  
14 governor with not more than 50 complimentary fishing and hunting  
15 licenses and appropriate big game tags which the governor may distri-  
16 bute to distinguished visitors to Alaska for their use in any one  
17 season during their visits to the state. The complimentary license  
18 for sport fishing or hunting or both shall be inscribed by the gover-  
19 nor with the inclusive dates for its authorized use. The governor  
20 shall advise the department on any complimentary issuances, which  
21 information shall be available to the public.

22 \* Sec. 2. AS 16.05.340(c) is amended to read:

23 (c) The commissioner [OF REVENUE] may issue a duplicate license  
24 or a duplicate tag as a replacement for a license or tag issued under  
25 (a) of this section. A fee of \$2 shall be charged for each duplicate  
26 license or tag and the duplicate shall not be issued unless the com-  
27 missioner [OF REVENUE] or a delegate is satisfied that the original  
28 has been lost or destroyed. This subsection does not apply to a  
29 25-cent license issued under (a)(6) of this section.

1 \* Sec. 3. AS 16.05.360 is amended to read:

2           Sec. 16.05.360. COMMISSIONER [OF REVENUE] CHARGED WITH LICENSE  
3           ISSUANCE. The commissioner [OF REVENUE] or an authorized deputy shall  
4           issue each license and tag to a qualified person under written appli-  
5           cation containing such reasonable information as required by the  
6           commissioner. The commissioner shall designate the license and tag  
7           form or type. The form or type shall be sufficient to identify and  
8           locate the applicant and establish the applicant's status as to resi-  
9           dency and citizenship. Each application shall be subscribed and sworn  
10          to by the applicant before an officer authorized to administer oaths  
11          in the state.

12 \* Sec. 4. AS 16.05.380 is amended to read:

13           Sec. 16.05.380. COMMISSIONER [OF REVENUE] MAY APPOINT AGENTS.  
14          The commissioner [OF REVENUE] may appoint state employees or other  
15          persons to take applications, issue licenses and tags, and collect  
16          fees. The commissioner is not liable for defalcation or failure to  
17          account for the fees collected by any person so appointed, but the  
18          commissioner shall require a bond in an adequate sum, conditioned upon  
19          faithfully accounting for all money collected. However, the commis-  
20          sioner may waive the bond requirements of an instrumentality of the  
21          United States or its agents and employees, when the instrumentality or  
22          its agents or employees sell licenses primarily to persons in the  
23          armed forces. Each person, upon appointment by the commissioner, may  
24          administer oaths on applications for licenses and tags.

25 \* Sec. 5. AS 16.05.390 is amended to read:

26           Sec. 16.05.390. FEES AND COMPENSATION FOR ISSUANCE OF LICENSES  
27          AND TAGS. (a) Except as provided in (e) of this section, an agent  
28          appointed and authorized by the commissioner [OF REVENUE] under  
29          AS 16.05.380 to sell licenses and tags is entitled to

1           (1) retain five percent of the fee that is charged for a  
2 license or tag or 25 cents for each license or tag sold, whichever is  
3 greater; and

4           (2) compensation of \$50 per year or \$1 for each license or  
5 tag sold during the year, whichever is greater.

6           (b) Each agent authorized to sell licenses or tags under AS 16.-  
7 05.380 shall, as directed by the commissioner [OF REVENUE], transmit  
8 the proceeds from the sales of licenses and tags, except the amount  
9 authorized to be retained, together with a report of the sales, to the  
10 commissioner for deposit in the fish and game fund or the general  
11 fund.

12           (c) On March 31, June 30, September 30, and December 31 of each  
13 year the commissioner [OF REVENUE] shall calculate the compensation  
14 earned by an agent under (a)(2) of this section. If the compensation  
15 due exceeds \$50, the commissioner shall pay the compensation not later  
16 than 30 days after the date for which the compensation was calculated.  
17 If the compensation due is \$50 or less, the commissioner shall pay the  
18 compensation not later than January 30 of the year following the year  
19 in which the compensation was earned. The commissioner shall pay  
20 compensation in an amount exceeding \$50 only for sales of licenses or  
21 tags for which the commissioner has received the report and proceeds  
22 required to be transmitted under (b) of this section.

23           (d) Compensation provided by this section shall be paid from  
24 appropriations made to the department [DEPARTMENT OF REVENUE] from the  
25 general fund.

26           (e) The provisions of (a) of this section do not apply to a  
27 state employee appointed by the commissioner [OF REVENUE] under  
28 AS 16.05.380 to sell licenses and tags.

29 \* Sec. 6. AS 16.05.400(b) is amended to read:

1 (b) A sport fishing, hunting or trapping license is not required  
2 of a resident who is 60 years of age or more and has been a resident  
3 for one year or more. The commissioner [OF REVENUE] shall issue a  
4 permanent identification card without charge to persons who qualify by  
5 age and residence and who complete the forms required by the commis-  
6 sioner for implementation of this subsection. A person who is issued  
7 a permanent identification card under this subsection shall have it in  
8 possession while sport fishing, hunting or trapping.

9 \* Sec. 7. AS 16.05.405(b) is amended to read:

10 (b) A resident hunting license indicating that the purchaser is  
11 blind may be obtained from the department [DEPARTMENT OF REVENUE] upon  
12 payment of the fee prescribed in AS 16.05.340 and upon presentation of  
13 either an affidavit of the applicant stating that the applicant cannot  
14 distinguish light from darkness or an affidavit signed by a licensed  
15 physician or a licensed optometrist stating that the applicant's  
16 central visual acuity does not exceed 20/200 in the better eye with  
17 correcting lenses or that the applicant's widest diameter of visual  
18 field subtends an angle no greater than 20 degrees.

19 \* Sec. 8. AS 16.05.450(a) is amended to read:

20 (a) The commissioner [OF REVENUE] or an authorized agent shall  
21 issue a crewmember fishing license under AS 16.05.480 to each quali-  
22 fied person who files a written application at a place in the state  
23 designated by the commissioner, containing the reasonable information  
24 required by the commissioner together with the required fee. The  
25 application shall be simple in form and shall be executed by the  
26 applicant under the penalty of perjury.

27 \* Sec. 9. AS 16.05.460 is amended to read:

28 Sec. 16.05.460. COMMISSIONER [OF REVENUE] MAY APPOINT AGENTS.  
29 The commissioner [OF REVENUE] may appoint qualified persons as agents

1 to receive applications, issue licenses, and collect license fees  
2 under AS 16.05.440 - 16.05.480, and to assist in the completion of  
3 annual application or renewal forms for interim-use permits and entry  
4 permits issued under AS 16.43.

5 \* Sec. 10. AS 16.05.470 is amended to read:

6 Sec. 16.05.470. FEE FOR ISSUANCE OF LICENSES AND INTERIM-USE OR  
7 ENTRY PERMITS. (a) A person appointed and authorized by the commis-  
8 sioner [OF REVENUE] to sell licenses under AS 16.05.440 - 16.05.480,  
9 except salaried employees of the state, shall retain the sum of 15  
10 percent of the fee for the issuance of a license. An agent shall  
11 transmit monthly to the commissioner all license fees collected by the  
12 agent, less the authorized commission, together with a full accounting  
13 of the fees. The commissioner shall make monthly remittances of the  
14 fees collected to the proper state official. The commissioner is not  
15 liable for defalcation or failure to account for the fees collected by  
16 an agent, but the commissioner shall require a bond in the sum the  
17 commissioner considers adequate, conditioned upon the faithful ac-  
18 counting of money collected.

19 (b) A person appointed by the commissioner [OF REVENUE] under  
20 AS 16.05.460 to issue licenses under AS 16.05.440 - 16.05.480, except  
21 salaried employees of the state, shall retain the sum of 15 percent of  
22 the interim-use or entry permit fee for assisting in completion of the  
23 annual application or renewal form for the interim-use or entry per-  
24 mit. An agent shall transmit promptly to the Commercial Fisheries  
25 Entry Commission all application or renewal forms and fees collected  
26 by the agent, less the authorized commission, together with a full  
27 accounting of the fees. The commissioner and the Commercial Fisheries  
28 Entry Commission are not liable for defalcation or failure to account  
29 for the fees collected by an agent, but the commissioner shall require

1 a bond in the sum the commissioner considers adequate, conditioned  
2 upon the faithful accounting of money collected.

3 \* Sec. 11. AS 16.05.826(a) is amended to read:

4 (a) The waterfowl conservation tag authorized in  
5 AS 16.05.340(a)(17) shall be produced annually in stamp form by the  
6 department in an amount the commissioner [DEPARTMENT OF REVENUE]  
7 considers appropriate. The department shall make stamps available for  
8 the creation of waterfowl conservation limited edition prints and  
9 shall provide for the sale of stamps and prints to the public.