

H B

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STATE OF ALASKA

STEVE COWPER, GOVERNOR

COMMERCIAL FISHERIES ENTRY COMMISSION

P.O. BOX KB
JUNEAU, ALASKA 99811-0302
PHONE: (907) 465-4081

April 19, 1988

Hon. Jay Kerttula, Chairman
Judiciary Committee
Alaska State Senate

APR 20 1988

Re: CSHB 510 (Res.)

Dear Senator Kerttula:

We are aware that your Committee is currently considering HB 510, which recently passed the State House. This letter expresses our support for the Bill; clearly, the changes proposed therein are in the public interest and will undoubtedly save money, as its proponents contend.

Our problem is only with those portions of the Bill that would authorize agents or vendors to assist applicants for entry and interim-use permits. In short, we would like to see all references to such permits deleted.

Our concern arises from history. In 1979, the last time any vendors assisted with permit applications, a number of problems were encountered, including the following:

1. Confusion over the service being provided. An individual seeking a commercial fishing (crewman) license or a sport hunting or fishing license fills out the application form (a copy of which, when certified by the vendor, constitutes the actual license), pays the appropriate fee, and is then authorized to engage in the licensed activity. To the contrary, an applicant for an interim-use or entry permit can only complete an application for the permit; actual issuance of the permit card must be accomplished by the Commission. For this purpose, there are only three embossing machines in the state (in Juneau and Kodiak, and a portable machine which can be linked to Juneau through on-line computer ports) which work in conjunction with the state main-frame computer. The design of the card is unique (for instance, use of a "black light" reveals the signature of the Commission Chairman) to guard against forgery or other fraud. Only after all relevant information is entered and verified will the computerized system allow for the card to be issued and mailed to the fisherman (who cannot legally fish until the card is in his or her possession).

2. The Commission cannot issue a card until the application is properly completed and the fees have been paid and recorded. Mistakes in the application (improper fishery code, permit number, etc.) were found to be common. Even more commonplace was the miscalculation of the appropriate fees (depending on the residency and economic status of the permit applicant and the fishery, there are 11 different fee categories, ranging from \$15.00 to \$750.00). When mistakes were made, it was almost impossible to know whether to contact the vendor or the applicant fisherman. This was especially troubling when the mistake was in the calculation of fees, since the agent would have already deducted the 15% service charge before sending the money to the Commission. As a result, contrary to the intent, fishermen were frequently disadvantaged by the system, and were required to wait much longer before getting their cards and going fishing.
3. The 15% provision is difficult to compute, because of the absence of a uniform fee structure. An agent can receive up to \$112.50 for assisting a non-resident to complete an application for certain permits, but only \$37.50 for assisting a resident to apply for the same class of permit (and only \$2.25 for assisting a resident to obtain a permit under the poverty fee provisions). In all cases, the amount of actual work is the same; i.e., insuring that the fishery code(s) are correct, that residency information is properly understood and sworn to, and that correct fees are assessed.
4. The Commission can neither train nor supervise the vendors, but is responsible for their actions. A problem exists in that the Commission has no control or authority over the agents and they, in turn, are not required to have any knowledge of the Commission's requirements or experience with the Limited Entry Program.

As noted, the Commission has not been faced with vendor-related problems for some nine years (because no vendors have been assisting with permit applications); however, now that the issue is before the Legislature in the form of HB 510, we feel it is time to simply delete the authority in its entirety, rather than transferring it to the Commissioner of Fish and Game.

Senator Jay Kerttula

(3)

April 19, 1988

Attached hereto is a copy of CSHB 510 (Res) with the Commission's suggested amendments indicated thereon. We would appreciate it if you could place the amended version before your Committee for discussion and appropriate action.

We have discussed these issues with Rep. Boyer and with the Office of the Commissioner of the Department of Fish and Game. All agree that the proposed deletions would be appropriate.

Thank you very much for your assistance. Please do not hesitate to contact us should you have any questions. Also, of course, we would be pleased to appear before your committee to discuss our concerns in greater detail with you and the other members.

Sincerely,

COMMERCIAL FISHERIES ENTRY COMMISSION
Bruce Twomley, Chairman
Rich Listowski, Commissioner
Phil Smith, Commissioner

By: 

Attachment

cc: Hon. Mark Boyer
House of Representatives

Mr. Bob Evans
Legislative Liaison
Office of the Governor

Don Collinworth, Commissioner
Alaska Department of Fish and Game
Attn: Warren Wiley, Deputy Commissioner

COMMERCIAL FISHERIES ENTRY COMMISSION

Proposed amendments to CSHB 510 (Res)

Note: CFEC offers no additions to the Bill, only deletions. All such deletions are set out in **Bold Face** type

- * Section 1. - No changes recommended
- * Section 2. - No changes recommended
- * Section 3. - No changes recommended
- * Section 4. - No changes recommended
- * Section 5. - No changes recommended
- * Section 6. - No changes recommended
- * Section 7. - No changes recommended
- * Section 8. - No changes recommended
- * Section 9. - No changes recommended
- * Section 10. AS 16.05.460 is amended to read:

Sec. 16.05.460. COMMISSIONER (OF REVENUE) MAY APPOINT AGENTS.

The commissioner (OF REVENUE) may appoint qualified persons as agents to receive applications, issue licenses, and collect license fees under AS 16.05.440 - 16.05.480 [**, AND TO ASSIST IN THE COMPLETION OF ANNUAL APPLICATION OR RENEWAL FORMS FOR INTERIM-USE PERMITS AND ENTRY PERMITS UNDER AS 16.43]** .

- * Section 11. AS 16.05.470 is amended to read:

Sec. 16.05.470. FEE FOR ISSUANCE OF LICENSES [**AND INTERIM-USE OR ENTRY PERMITS]**. (a) A person appointed and authorized by the commissioner (OF REVENUE) to sell licenses . . .

CFEC recommends no changes in balance of subsection (a)

(b) CFEC RECOMMENDS THAT ALL OF SUBSECTION (b) BE DELETED.

* Section 12. AS 16.05.470 is amended by adding new subsections to read:

(c) (b) Forms and fees under (a) [OR (b)] of this section shall be transmitted to the commissioner [OR TO THE COMMERCIAL FISHERIES ENTRY COMMISSION, RESPECTIVELY,] by the last day of the month following the month in which the fees are collected. The commissioner [OR THE COMMISSION, AS APPROPRIATE,] may grant an extension of not more than 30 days if the agent establishes that . . .

CFEC recommends no changes in balance of subsection (c)

(d) (c) The commissioner [OR THE COMMISSION, AS APPROPRIATE,] may assess a penalty against an agent who does not transmit fees within the time allowed under (c) (b) of this section . . .

CFEC recommends no changes in balance of Bill

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) 465-2466

MEMORANDUM

TO: All Members

FROM: Representative Mark Boyer *MB*

SUBJECT: HB 510, Fish and Game Licensing

DATE: March 31, 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. 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 with the agency which benefits most from that information.

One-time expenditures of 133.0 reflected in the fiscal note will purchase computer equipment for 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.

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

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Fish and Game
 Title: to be transferring responsibility BRU: Administration & Support
for the issuance of certain fishing...
 Sponsor: Sen Boyer Components: Administrative Services
 Requestor: Sen 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		310.8	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						
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REVENUE		9,800.5	9,850.0	10,050.0	10,240.0	10,400.0
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\$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: *Sen Boyer* Phone: 465-4120
 Division: Administration Date: 03/04/88
 Approved by Commissioner: *Don 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 HBS10

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:

7.6

CONTRACTUAL:

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

Subtotal

-125.9

SUPPLIES:

7.4

SUBTOTAL REVENUE TRANSFER

662.1

ONE TIME COSTS

Space modify/telephone 13.0
Computer/Optical Scanner 105.0
Microfilm/Vertical files 15.0

SUBTOTAL ONE TIME ITEMS

133.0

SUBTOTAL FISH & GAME ADDITIONS

162.4

SUMMARY OF TOTAL REQUEST

REVENUE TRANSFER TO ADF&G
ADF&G ADDITIONS
CHANGE TO VENDOR COMPENSATION
ADF&G ONE TIME ITEMS

662.1
209.8
-160.4
133.0

TOTAL REQUEST

844.5

No. 2
CSHB 510 (RES)
HOUSE 3/22/88

ANALYSIS OF AGENT COMPENSATION ALTERNATIVES

AGENT SALES	EXISTING		NEW METHOD		TOTAL VENDOR COMP.	TOTAL VENDOR COMP. NEW METHOD	CHANGE IN TOTAL COMPENSATION
	NO. OF VENDORS	AVERAGE PER SALES	AUG. SINGLE VENDOR CURRENTLY	AVG. SINGLE VENDOR NEW METHOD			
Under 50 licenses	667	30	\$50	\$50	\$33,350	\$33,350	NO CHANGE
51 to 1000 licenses	183	450	\$450	\$300	\$82,350	\$54,900	(\$27,450)
1001 to 5000 licenses	65	2300	\$2,300	\$775	\$149,500	\$50,375	(\$99,125)
5001 and up licenses	35	5775	\$5,775	\$1,644	\$202,125	\$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 Fish and Game	DIVISION Administration	BILL NUMBER HB 510	SPONSOR Rep. Boyer
SHORT TITLE OF BILL An Act transferring responsibility for the issuance of certain licenses...			
DEPARTMENT POSITION In favor of bill			
PREPARED BY <i>Beverly Réaume</i> Beverly Réaume	DATE 03/04/88	COMMISSIONER'S SIGNATURE <i>Donna M. ...</i>	DATE 03/04/88

SUMMARY

OTHER AGENCIES AFFECTED BY BILL 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
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY
LEGISLATIVE REFERENCE LIBRARY

POUCHY - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

H. Finance March 23, 1988
H. Resources Feb. 23, 1988

Sport & Commercial Licenses
(transfer to fish & game)

HOUSE BILL NO. 510, by Rep. Boyer. Would transfer 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, including complimentary fishing and hunting licenses; duplicate, replacement sport hunting and fishing licenses or tags; designation of form and type of sport hunting and fishing licenses; appointment of agents to take applications, issue license and tags, and collect fees for sport hunting and fishing; accepting fees from and calculating compensation for agents who issue licenses and tags; issuance of senior citizen permanent identification cards; resident hunting licenses; crewmember fishing licenses; appointment of agents to receive applications, issue licenses and collect license fees under commercial fishing laws; responsibility for persons appointed to sell licenses under commercial fishing provisions; waterfowl conservation tags. Does not provide an effective date (bill becomes law 90 days after being signed by the governor).

Introduced February 15, 1988 and referred to Resources; Finance.

Sport & Commercial Licenses
(transfer to fish & game)

HOUSE BILL NO. 510. (see page 1188). Reported back to the House March 22, 1988 by Resources recommending it be replaced with a Resources substitute and that it do pass. Concurring: Cotten (Co-Chair), Sund, Hoffman, Davidson. Not concurring: Navarre has no recommendation. To Finance.

The Resources substitute adds a new sections:

—Amends AS 16.05.390 (Fees and compensation for issuance of licenses and tags) revising the compensation schedule for agents who sell fishing, hunting and trapping licenses and tags. The agent would be entitled to retain five percent of the fee charged for a license or tag or 25 cents for each license or tag sold, whichever is more; and \$50 a year or the following amount, whichever is more: 1 - 50 licenses and tags, \$1 each; 51 - 250 licenses and tags, \$0.75 each; 251 - 500 licenses and tags, \$0.50 each; more than 500, \$0.25 each.

—Adds new subsections to AS 16.05.390 (Fees and compensation for issuance of licenses and tags) and to AS 16.05.470 (Fee for issuance of licenses and interim-use or entry permits) requiring the license and tag proceeds and required reports, and forms and fees for limited entry permits to be transmitted to the commissioner of fish and game or to the Commercial Fisheries Entry Commission, as the case may be, by the last day of the month following the month in which they are sold or fees are collected. A 30-day extension could be granted if the agent establishes that failure to grant the extension would impose an excessive financial hardship; the proceeds from sales for the period, including the amount the agent is authorized to retain, total less than \$1,000; and the cumulative amount of proceeds due, including proceeds from the current period, do not exceed \$1,000.

The commissioner or the commission could assess a penalty against an agent who does not transmit the license and tag proceeds or limited entry fees within the time period allowed. The penalty would be equal to one and a half percent of the amount of proceeds or fees due, and would be assessed for each month proceeds are delinquent. The penalty for license and tags would be withheld from the agent's compensation.

Reported back to the House March 24, 1988 by Finance recommending adoption of the Resources Committee substitute (above), and that it do pass. Concurring: Adams (Chair), Goll, Frank, Pourchot, Rieger, Swackhammer, Boyer, Brown. Not concurring: Larson and Davis have no recommendation. To Rules.

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;
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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.

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FISCAL NOTE

REQUEST:

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Sponsor: Representative Boyer
Requestor: Resources & Finance

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Bk: Income and Excise Audit Division

Components: _____

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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
Division: Income and Excise Audit Division
Phone: (907) 465-2320
Date: 03/04/88

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

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

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 09 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

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.

STATE OF ALASKA
1988 LEGISLATIVE SESSION

No. 2
BILL VERSION: CSHB 510 (RES)
PUBLISH DATE: HOUSE 3/22/88

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		218.8	222.0	222.0	222.0	222.0
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						
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REVENUE		9,800.5	9,850.0	10,050.0	10,240.0	10,400.0
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\$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: *Suey Poane* 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 HBS10

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

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:

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

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

SUPPLIES:

2.6

SUPPLIES:

7.4

SUBTOTAL REVENUE TRANSFER

662.1

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

662.1
209.8
-160.4
133.0
844.5

No. 2
CSHB 510 (RES)
HOUSE 3/22/88

ANALYSIS OF AGENT COMPENSATION ALTERNATIVES

AGENT SALES	NO. OF VENDORS	AVERAGE PER VENDOR SALES	EXISTING		NEW METHOD		CHANGE IN TOTAL COMPENSATION
			AUG. SINGLE CURRENTLY	TOTAL VENDOR COMP. CURRENTLY	AUG. SINGLE 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 licenses	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 510.
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. $\$356.6 - 196.2 = 160.4$