

***EXECUTIVE
ORDER 73***

HOUSE COMMITTEE REPORT

(9)

Date Referred: January 9, 1989

FURTHER REFERRALS: FINANCE

Date of Committee Action: 1-30-89

The RESOURCES Committee recommends that:

EXECUTIVE ORDER NO. 73

Transferring the function of issuing certain fishing, hunting, and trapping licenses, tags and identification cards from the Department of Revenue to the Department of Fish and Game.

[] be replaced with _____ [] the same title
[] a new title

[] have attached amendment(s)

- do pass
- [] do not pass
- [] no recommendation
- [] individual recommendations
- [] additional referral to the _____ Committee

ADOPTS: HS. Res. letter of ~~intent~~ approval

ATTACHES NEW FISCAL NOTE(S):

APPROVES PREVIOUS:

- [] fiscal impact
- [] zero fiscal note
- [] zero with analysis

[] fiscal note(s) published:

zero fiscal notes(s) published:
2 ea - ~~1 ea~~ 1-9-89

SIGNING ~~DO PASS~~ APPROVE:

SIGNING ~~OTHER THAN DO PASS~~ DISAPPROVE
(Do Not Pass, No Recommendation, Amend)

Sever
Mike Brown
Richard Stoy
W. Furnace
Ben Sharp
Bill Hunt
Mike Davis

Sever
Chairman's signature



Alaska State Legislature

HOUSE OF REPRESENTATIVES
COMMITTEE ON RESOURCES

POUCH V
JUNEAU, ALASKA 99811
(907) 465-3715

January 30, 1989

Dear Mr. Speaker:

The House Resources Committee has reviewed Executive Order 73, transferring the function of issuing certain fishing, hunting and trapping licenses, tags and identification cards from the Department of Revenue to the Department of Fish and Game.

The Committee heard testimony from the Departments of Fish and Game and Revenue and finds Executive Order 73 to be in the state's best interest for the efficient administration of the program.

Best Regards,

A handwritten signature in cursive script, appearing to read "George Jacko".

Representative George Jacko
Vice-Chair
Resources Committee

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Fish and Game
 Title: An act relating to compensation
for, penalties against, proceeds... BRU: _____
 Sponsor: Rules Components: _____
 Requestor: Steve Cowper

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

See Bill Analysis. Changes in funding due to this transfer are included in the Fish and Game operating budget.

Prepared by: Beverly Reaume *Beverly Reaume* Phone: 465-4120
 Division: Administration Date: 12-16-88
 Approved by Commissioner: Donnell *Donnell* Date: 12-19-88
 Agency: Department of Fish and Game

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

STATE OF ALASKA
1989 LEGISLATIVE SESSION

BILL VERSION: HB 76 & EX ORDER 73
PUBLISH DATE: HOUSE 1/9/89

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: "An Act transferring issuance of fishing, hunting, trapping licenses..."
Sponsor: Rules Committee
Requestor: Governor

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

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
OPERATING						
PERSONAL SERVICES	-	-	-	-	-	-
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	-	-	-	-	-
SUPPLIES	-	-	-	-	-	-
EQUIPMENT	-	-	-	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-	-	-	-	-	-
CAPITAL	-	-	-	-	-	-
REVENUE	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS: See attached analysis.

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

Phone: (907) 465-2320
Date: December 19, 1988

Approved by Commissioner: Hugh Malone *Hugh Malone*
Agency: Department of Revenue

Date: December 19, 1988

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
December 19, 1988

At the time of drafting this fiscal note an executive order was being drafted for Governor Cowper's signature transferring the Fish and Game Licensing Program from Department of Revenue to Department of Fish and Game. To effect the transfer, legislation amending the statutory responsibility is also necessary.

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.

To effect the transfer, the Department of Revenue will give the Department of Fish and Game the resources it has allocated to the program. Funding for the resources is being transferred through the Department's budget as a C-4 Transfer within Adjusted Base. Transferred resources include:

- 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.
- 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	\$54.3
Accounting Supervisor I	14J	\$46.7
Clerk Typist II	7B	\$26.9
Accounting Clerk II	9D	\$31.4
Clerk Typist III	3B	\$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>
	<u>\$393.4</u>

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	\$393.4
Supplies	<u>\$2.6</u>
Total Transfer:	<u>\$622.8</u>

MEMORANDUM

STATE OF ALASKA

TO: Resources Committee
House of Representatives

DATE: January 27, 1989

FILE NO:

FROM: Commercial Fisheries Entry
Commission
Bruce Twomley, Chairman
Rich Listowski, Commissioner
Phil Smith, Commissioner

TELEPHONE NO: 465-4081

SUBJECT: House Bill 76

By this Memorandum, we wish to express our support for the bill as submitted by Governor Cowper. The proposed statutory changes (supporting Executive Order 73) are clearly in the public interest. The Commission's direct interest in the bill is prompted by the proposed deletions to authority for the Commissioner of Fish and Game to appoint agents to assist in the completion of annual application and renewal forms for interim-use permits and entry permits issued under AS 16.43. These deletions are found in Sections 3, 4, and 5 of the bill, and we support them.

In 1979, the last time any vendors assisted with permit applications, a number of problems were encountered, as follows:

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.

In contrast, 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 itself 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 the card to be issued and delivered to the fisherman (who cannot legally fish unless the card is in his or her possession).

When vendors assisted individuals with applications for their permits, great confusion frequently ensued, with the fishermen frequently under the illusion that they could legally fish with a copy of the application.

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 fee calculation, 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. Vendor compensation is difficult to compute, because of the absence of a uniform fee structure.

When vendors were authorized to assist in the preparation of applications for permits, a vendor could 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 \$2.50 for assisting a resident to obtain a permit under the poverty fee provisions). In all cases, the amount of actual work was the same; i.e., insuring that the fishery code(s) were correct, that residency information was properly understood and sworn to, and that correct fees were assessed.

4. The Commission can neither train nor supervise the vendors, but is responsible for their actions.

When the vendor authority was being exercised, a significant problem was that the Commission had no control or authority over the agents and they, in turn, were not required to have any knowledge of the Commission's requirements.

For all of the above reasons, we urge your favorable consideration of HB 76, in particular those portions which would delete the authority of the Commissioner of Fish and Game to appoint agents to assist fishermen to apply for interim-use and entry permits issued by the Commission.



Alaska State Legislature

HOUSE OF REPRESENTATIVES
COMMITTEE ON RESOURCES

POUCH V
JUNEAU, ALASKA 99811
(907) 485-3718

January 30, 1989

Dear Mr. Speaker:

The House Resources Committee has reviewed Executive Order 73, transferring the function of issuing certain fishing, hunting and trapping licenses, tags and identification cards from the Department of Revenue to the Department of Fish and Game.

The Committee heard testimony from the Departments of Fish and Game and Revenue and finds Executive Order 73 to be in the state's best interest for the efficient administration of the program.

Best Regards,

Representative George Jacko
Vice-Chair
Resources Committee

STEVE COWPER
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

CC
14B 76
EO 73

January 9, 1989

The Honorable Sam Cotten
Speaker of the House
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Representative Cotten:

Under the authority of art. III, sec. 23, of the Alaska Constitution, I am transmitting Executive Order No. 73, transferring the functions of issuing fishing, hunting, and trapping licenses, tags, and identification cards from the Department of Revenue to the Department of Fish and Game.

Also, under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a related bill that would make some changes and additions to AS 16.05.390, 16.05.460, and 16.05.470, concerning agents appointed to serve as private license vendors.

The Executive Order will make the operation of state government more efficient because the transfer of the fish and game licensing function places that function in the department that is responsible for the resource management programs that are partially funded by the license revenue. Also, that department, the Department of Fish and Game, can more efficiently gather the most appropriate information during the license issuance process to assist in its management functions. The transfer will reduce the number of departments an individual must contact if the individual intends to take fish or game. At the same time, because the Department of Fish and Game has more field offices than does the Department of Revenue, the transfer will probably make the contact more convenient.

In addition, the transfer will enable the Department of Revenue to focus more of its attention and resources on its primary responsibility -- collecting revenue owed to our state government.

Sections 1 -- 12 of the Executive Order delete references in AS 16.05.335 -- 16.05.826 to the commissioner of revenue and to the Department of Revenue, leaving only references to the "commissioner" and the "department." Those terms are then defined in AS 16.05.940(6) and (7), respectively, as the commissioner of fish and game and the Department of Fish and Game.

Sections 13 and 14, respectively, of the Order delete the power to issue fish and game licenses from the Department of Revenue powers listed in AS 44.25.020 and add it to the Department of Fish and Game powers set out in AS 44.39.020. Section 15 of the Order sets out transition provisions regarding regulations relating to the transferred function.

The only other changes made by the Executive Order are a few housekeeping clarifications in AS 16.05.390 and 16.05.470, and in AS 44.25.020 (secs. 6, 11, and 13 of the Order). No substantive changes, other than the transfer itself, are made by this Order.

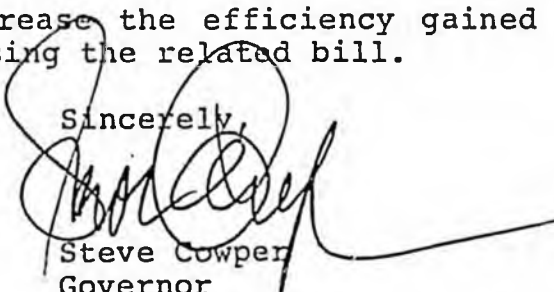
Sections 1, 2, and 4 of the related bill amend AS 16.05.390 (concerning vendors of all licenses but commercial fishing licenses) and 16.05.470 (concerning vendors of commercial fishing licenses), to allow penalties to be assessed against license vendors or agents who do not transmit to the Department of Fish and Game, in a timely manner, the license fees that they collect.

Sections 2 and 4 of the related bill also specify that the monthly reports and fee transmittals that are already required from vendors must be made by the last day of the month after fees are collected, unless an alternative schedule is set by contract for vendors covered by AS 16.05.390, or unless an extension is granted for vendors covered by AS 16.05.470.

Finally, secs. 3 and 5 of the related bill delete reference in AS 16.05.460 and 16.05.470 to issuance of interim-use and entry permits by vendors. This deletion merely eliminates possible confusion, and conforms the statute to the reality that private vendors have not issued limited entry permits since 1979.

I urge you to further increase the efficiency gained from the Executive Order by passing the related bill.

Sincerely,



Steve Cowper
Governor

STATE OF ALASKA

STEVE COWPER, GOVERNOR

DEPARTMENT OF FISH AND GAME

OFFICE OF THE COMMISSIONER

P.O. BOX 3-2000
JUNEAU, ALASKA 99602-2000
PHONE: (907) 465-4100

January 26, 1989

The Honorable Cliff Davidson, Co-Chair
The Honorable Curt Menard, Co-Chair
House Resources Committee
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Representatives Davidson and Menard:

House Bill 76 and Executive Order 73 are the two final steps necessary to complete the transfer of the responsibility for hunting and fishing license sales from the Department of Revenue to the Department of Fish and Game. Administrative Order 11 issued in July 1988 began the transfer. At present the Department of Fish and Game is selling and accounting for hunting, fishing, and trapping licenses. The transfer from the Department of Revenue to the Department of Fish and Game included the transfer to the Department of Fish and Game of Revenue's FY 89 budget for this program and the transfer of five positions. Unfortunately, funding for the program as operated by the Department of Revenue was never adequate and that remains the case to the present.

The following paragraphs will discuss both the Executive Order and HB 76. The bill is primarily designed to clarify compensation paid to vendors and to enable the department to effectively collect the amounts due from those selling licenses. There apparently have been cases in the past where license vendors have sold hunting and fishing licenses but have not transmitted in a timely manner--and sometimes not at all--proceeds due the state. The bill clearly sets forth the time frame in which such remittances are due to the state and penalties which the department may exact to ensure compliance.

The Executive Order will make the operation of state government more efficient because the transfer of the fish and game licensing function places the function in the department that is responsible for the resource management programs that are partially funded by the license revenue. Also, that department (the Department of Fish and Game) can more efficiently gather the most appropriate information

The Honorable Cliff
Davidson
The Honorable Curt Menard

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January 26, 1989

during the license issuance process to assist in its management functions. The transfer will reduce the number of departments an individual must contact if the individual intends to take fish or game. At the same time, because the Department of Fish and Game has more field offices than does the Department of Revenue, the transfer will probably make the contact more convenient.

In addition, the transfer will enable the Department of Revenue to focus more of its attention and resources on its primary responsibility--collecting revenue owed to our state government.

Sections 1-12 of the Executive Order delete references in AS 16.05.335-16.05.826 to the Commissioner of Revenue and to the Department of Revenue, leaving only references to the "commissioner" and the "department." Those terms are then defined in AS 16.05.940(6) and (7), respectively, as the Commissioner of Fish and Game and the Department of Fish and Game.

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Sections 1, 2, and 4 of the related bill amend AS 16.05.390 (concerning vendors of all licenses but commercial fishing licenses) and 16.05.470 (concerning vendors of commercial fishing licenses), to allow penalties to be assessed against license vendors or agents who do not transmit to the Department of Fish and Game, in a timely manner, the license fees that they collect.

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The Honorable Curt Menard

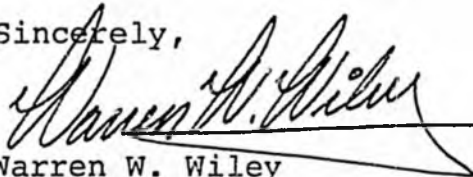
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January 26, 1989

interim-use and entry permits by vendors. This deletion merely eliminates possible confusion and conforms the statute to the reality that private vendors have not issued limited entry permits since 1979.

Representatives from the Department of Fish and Game will be on hand for the Committee's hearing on both the Executive Order and HB 76. We will be prepared to answer any questions at that time. If there is further detailed information the Committee desires before the hearing, I will be happy to provide it.

Sincerely,

A handwritten signature in cursive script, appearing to read "Warren W. Wiley", is written over a horizontal line.

Warren W. Wiley
Assistant Commissioner

cc: House Resources Committee Members