

**S B**

**176**

# HOUSE COMMITTEE REPORT

(9)

Date Referred: April 12, 1989

FURTHER REFERRALS:

Date of Committee Action: 4-27-89

The RESOURCES Committee considered:

CSSB 176(FIN)

CS FOR SENATE BILL NO. 176 (Finance),

[BIG GAME HARVEST PERMITS AS PRIZES]

"An Act relating to auctions and raffles for bison harvest permits; and providing for an effective date."

RECOMMENDATIONS:

- be replaced with \_\_\_\_\_  the same title
- have 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):  
(Dept)

APPROVES PREVIOUS:

(Date/Dept)

- fiscal impact \_\_\_\_\_
- zero fiscal note \_\_\_\_\_
- zero with analysis \_\_\_\_\_

- fiscal note(s) 7+6 4-6-89
- zero fiscal note(s) Pub. Safety 3-21-89
- zero fn/analysis \_\_\_\_\_

SIGNING DO PASS:

SIGNING:

(Check appro. column)

Conrad W. Munn  
Cliff Davidson  
Richard J. Lopez  
Geoffrey Sharp  
George J. ...

	Do Not Pass	No Rec	Amend
<u>Mike ...</u>			<input checked="" type="checkbox"/>

Conrad W. Munn  
 Chairman's Signature

# FISCAL NOTE

**REQUEST:**

Revision Date: \_\_\_\_\_ Agency Affected: \_\_\_\_\_  
 Title: An Act Relating to the Use of Big Game Harvest Permits as Prizes for Fundraising. BRU: Wildlife Conservation  
 Sponsor: Senator Frank Components: \_\_\_\_\_  
 Requestor: Senate Resources Committee

**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	0	\$25.0	\$30.0	\$35.0	\$35.0	\$35.0
---------	---	--------	--------	--------	--------	--------

**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) Passage of SB 176 would result in no additional expenditures by the department. There is a potential, however, for adding considerable funds to the Fish and Game Fund for subsequent expenditures by the Division of Wildlife Conservation.

Prepared by: Donald E. McKnight Phone: 465-4190  
 Division: Wildlife Conservation Date: April 6, 1989  
 Approved by Commissioner: Warren Miller Asst. Commissioner: \_\_\_\_\_ Date: April 6, 1989  
 Agency: Department of Fish and Game

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

FISCAL NOTE

REQUEST:

Revision Date: 3/21/89 Agency Affected: Public Safety  
Title: Big game harvest permits as prizes BRU: Fish and Wildlife Protection  
Sponsor: Senator Frank Component: \_\_\_\_\_  
Requestor: Senate Resources

EXPENDITURES/REVENUES: (Thousands of Dollars) (Inflation not included)

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	-0-	-0-	-0-	-0-	-0-	-0-
---------	-----	-----	-----	-----	-----	-----

REVENUE	-0-	-0-	-0-	-0-	-0-	-0-
---------	-----	-----	-----	-----	-----	-----

FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME	0	0	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)

Since this bill does not create any added impact on the resource or additional resource users in the field, we do not anticipate any additional expenditure of funds.

Prepared by: Lt. William Valentine Phone: 789-2161  
Division: Fish and Wildlife Protection Date: 3/21/89  
Approved by Commissioner: J.A. English Date: 3/21/89  
Agency: Department of Public Safety

STEVE FRANK  
DISTRICT K  
SEAT A

119 N. Cushman, Rm. 213  
Fairbanks, Alaska 99701

*While in Juneau*  
P.O. Box V  
Juneau, Alaska 99811  
(907) 465-3709  
Capitol Rm. 514

# Alaska State Legislature



## Senate

MEMBER  
Finance Committee  
Resources Committee  
Legislative Council  
Special Committee on Banking &  
Economic Development

VICE-CHAIR  
Community & Regional  
Affairs Committee

TO: The House Resources Committee  
FROM: Senator Steve Frank  
RE: CSSB 176(Fin)  
DATE: April 26, 1989

---

CSSB 176(Fin) provides a mechanism for the Department of Fish and Game to contract with qualified organizations to conduct an auction or raffle for the purpose of annually issuing a harvest permit for one bison from the Delta herd. At least 90% of the net proceeds will be deposited directly into the Fish and Game Fund, thus providing an additional source of revenue for the department's conservation programs.

This legislation was suggested by Alaska Fish and Wildlife Safeguard. They are supportive because, as a qualifying organization, they view this as a successful means of gaining public exposure and promoting their goal of fish and game law enforcement in Alaska, while at the same time raising funds for conservation and management programs of the Department of Fish and Game.

CSSB 176(Fin) is supported by the Department of Fish and Game and the Department of Public Safety - Division of Fish & Wildlife Protection. It has also been endorsed by the Alaska Outdoor Council, representing 54 sportsmen and outdoor organizations statewide.

I see this as a very worthwhile proposal and, given our current budget situation, I think it is a timely and positive step toward finding new revenue sources for fish and game management and habitat enhancement. I urge your support of CSSB 176(Fin).

SENATE COMMITTEE REPORT

(6)  
6-05392

FIRST COMMITTEE OF REFERRAL

Date of 5-DAY NOTICE 3-9-89  
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER

FINANCE

\*\*FISCAL NOTE(S) MUST BE ATTACHED  
IN ACCORDANCE WITH AS 24.08.035

DATE TURNED INTO OFFICE 3-20-89

2/16/89

Mr. President:

RESOURCES

Committee considered

SB 176

use of big game harvest permits as prizes or premiums in fund-raising activities for fish and game conservation and law enforcement purposes conducted by qualified nonprofit organizations.

and recommended:

replace with CS SB 176 (Res)  same title  
 attached amendment(s) and  new title  
 \_\_\_\_\_ letter of intent adopted *+ majority do pass*

do pass

do not pass

no recommendation

individual recommendations

further referral to \_\_\_\_\_

*FN  
OPEN*

*2 Fiscal Notes  
FORTHCOMING  
C: SB 176:  
1. ADFG FN  
2. Public Safety*

FISCAL NOTE(S) attached  zero  
 appropriation no FN attached

fiscal impact  
 Gov. FN introduced w/ bill

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

*[Signatures]*

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

*[Signature]*  
chairman signature and recommendation

SENATE (RES) COMMITTEE REPORT

SENATE COMMITTEE REPORT

FURTHER

3/21/89

DATE TURNED INTO OFFICE 4/4/89

Mr. President:

Finance Committee considered SB 176

use of big game harvest permits as prizes or premiums in fund-raising activities for fish and game conservation and law enforcement purposes conducted by qualified nonprofit organizations and recommended

replace with CS SB 176 (Finance)  same title  
 or adopt \_\_\_\_\_  CS  new title  
 attached amendment(s) and  technical title change (HB only)  
 \_\_\_\_\_ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to \_\_\_\_\_

FISCAL NOTE(S)  <sup>DPG</sup> zero  <sup>DFEG revised (revenue)</sup> fiscal impact  appropriation no FN  
 new  updated  previous  
 same as previous fiscal note(s) published \_\_\_\_\_

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

[Signature]  
[Signature]  
[Signature]  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

[Signature] DO PASS  
Chairman signature and recommendation  
[Signature] DO PASS

Committee Backup attached

STATE OF ALASKA  
THE LEGISLATURE

POUCH Y STATE CAPITOL  
JUNEAU ALASKA 99811  
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

February 21, 1989

SUBJECT: Fund raising activities of nonprofit organizations

TO: Senator Steve Frank  
Attn: Teresa Sager

FROM: George Utermohle *GU*  
Legislative Counsel

You have asked how administrative costs of fund raising activities are determined for nonprofit organizations subject to AS 05.15.

In order for a nonprofit organization to conduct certain fund raising activities, the organization must obtain a permit from the Department of Revenue. The organization must submit at least an annual report on the activities that it has conducted during the prior year. The report must include a description of the activities conducted under the permit and must also include for each activity, the total amount of gross receipts, the total amount of authorized expenses, and the total amount of the net proceeds. (AS 05.15.080(b)).

The gross receipts of an activity are the receipts collected by the organization from participants in the activity and includes the price charged for tickets or other rights to participate in the activity, admission fees, money obtained from the sale of equipment or supplies associated with the activity, and all other miscellaneous receipts. (AS 05.15.210(17)). The net proceeds of an activity are determined by subtracting the additional license fee due from certain organizations under AS 05.15.020(b), the authorized administrative costs allowed under AS 05.15.160, and the value of prizes awarded from the gross receipts.

Those administrative expenses that an organization may incur and charge against the gross receipts are bona fide expenses

Senator Steve Frank  
Page 2  
February 21, 1989

reasonably necessary for goods, wares, and merchandise necessary for the operation of the activity and personal services involved with the operation of the activity. (AS 05.15.160). The personal services may be performed by an employee of the qualified organization or an operator employed by the organization to conduct the activity on its behalf. An organization may pay its employees a reasonable amount in wages or other compensation for the services provided while conducting the activity. A reasonable amount of compensation is an amount approximating the amount ordinarily paid by similar businesses for similar work performed under similar circumstances. The authorized and unauthorized expenses that may be incurred in conducting a fund raising activity are set out in more detail in regulations at 15 AAC 105.220. A copy of this regulation is attached.

You have also asked what fund raising activities are subject to the requirements of AS 05.15.

Certain types of fund raising activities conducted by or on the behalf of qualified organizations and municipalities are subject to AS 05.15. A qualified organization is a bona fide civic, service, religious, charitable, fraternal, labor, political, or educational organization or certain other organization that has been in existence for at least three years and that operates without profit to its members. (AS 05.15.210(28)).

The activities conducted under the authority of AS 05.15 are not legally considered gambling, but under AS 05.15 nonprofit organizations may conduct for fund raising purposes various games that are traditionally considered to be gambling. AS 05.15 regulates the conduct of fund raising activities involving raffles, lotteries, bingo games, pull-tab games, various kinds of classics, card games, dice games, roulette, and other forms of gambling.

AS 05.15 does not regulate auctions.

If I may be of further assistance, please advise.

GU:lmb  
L7/016



## ALASKA OUTDOOR COUNCIL, INC.

3780 MCGINNIS DR. JUNEAU, AK 99801  
(907) 789-3450

March 6, 1989

Senator Steve Frank  
Alaska State Legislature  
P.O. Box V  
Juneau, AK 99811

Dear Senator Frank:

This is to advise you that the Alaska Outdoor Council is officially supporting SB 176 relating to the use of big game harvest permits as prizes.

Our Board of Directors met recently and established the AOC position. The Board also advised that they are most concerned that the permits go to primarily conservation organizations and public purposes like Wildlife Safeguard. We also fully support the concept of raffling or auctioning special permits in order to raise badly needed monies for the Fish and Game Fund.

The requirement that the permits be subject to regulations adopted by the Board of Game will provide the safeguards necessary to guarantee public purposes benefits.

We appreciate your interest in this worthwhile endeavor and pledge to give you our full support in gaining passage.

Sincerely,

Ron Somerville  
Executive Director

Affiliated with National Rifle Association

- SPONSOR'S BACKGROUND INFORMATION -

ZENITH 3377



---

**ALASKA FISH & WILDLIFE  
SAFEGUARD**

P.O. Box 6188, Annex, Anchorage, Alaska 99502

March 6, 1989

The Honorable Steve Frank  
Senator  
Box V  
Juneau, Alaska 99811

Dear Senator Frank:

The Fairbanks board of Wildlife Safeguard supports Senate Bill 176 with amendments to lines 16, 25, and 26 as shown on the attached copy of page 1 of the bill.

Thank you for your support.

Sincerely,

Brian Jennison  
Chairman, Fairbanks Board

*Brian Jennison*

Enclosure

---

TAKE AIM ON VIOLATIONS

---

1 IN THE SENATE

BY FRANK

2

SENATE BILL NO. 176

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SIXTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to the use of big game harvest  
7 permits as prizes or premiums in fund-raising activi-  
8 ties for fish and game conservation and law enforce-  
9 ment purposes conducted by qualified nonprofit orga-  
10 nizations."

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

12 \* Section 1. AS 16.05 is amended by adding a new section to read:

13 Sec. 16.05.058. BIG GAME HARVEST PERMITS AS PRIZES AND PREMIUMS.

14 (a) The commissioner, subject to regulations adopted by the Board of  
15 Game, may enter into annual agreements with qualified organizations  
16 established to promote ~~fish and game conservation or~~ fish and game law  
17 enforcement to issue a big game harvest permit without charge to an  
18 individual determined by lottery, public auction, or other fund-  
19 raising procedure conducted by the organization.

20 (b) A qualified organization that enters into an agreement with  
21 the commissioner under (a) of this section may retain from the pro-  
22 ceeds of the fund-raising activity an amount equal to the administra-  
23 tive cost of the fund-raising activity plus an amount not to exceed 10  
24 percent of the proceeds. The amount of proceeds not retained by the  
25 qualified organization shall be given to the commissioner, ~~under~~  
26 ~~AS 16.05.050 for purposes specified by the qualified organization.~~  
*of the Department of Fish and Game.*

27 (c) The exercise of a privilege conferred by a big game harvest  
28 permit issued under this section is subject to regulations relating to  
29 the time, place, and manner of taking the species for which the permit

ZENITH 3377



---

## ALASKA FISH & WILDLIFE SAFEGUARD

5700 East Tudor Road, Anchorage, Alaska 99507

March 7, 1989

The Honorable Steve Frank  
Alaska State Senate  
P.O. Box V  
Juneau, Alaska 99811

Dear Senator Frank,

The Southeast Board of Directors for Alaska's Fish and Wildlife Safeguard program wishes to express its support and appreciation for your sponsorship of SB 176. This bill, paving the way for a hunting permit raffle or auction, will help further the wildlife causes in Alaska.

We understand there are several amendments proposed to the bill, and offer our suggestions. Concerning the type of organization the permits may be made available to, we believe it should read "fish and game law enforcement organization" rather than the proposed "fish and game conservation or fish and game law enforcement organization." We believe this will more closely match the permit recipients with the intent of the legislation.

The other amendment concerns the portion of raised funds which are turned over to the Department of Fish and Game. We do not believe the recipient organization should necessarily direct where the funds are to be applied. We trust to the professional determination of the Commissioner and his staff to allocate those funds, and would prefer to see those decisions remain with the Department.

Thank you for your effort on behalf of Alaska's wildlife.

Sincerely,

A handwritten signature in cursive script, appearing to read 'James B. Leet'.

James B. Leet  
Vice Chairman, Southeast Board of Directors  
Fish & Wildlife Safeguard

---

TAKE AIM ON VIOLATIONS

---



1 1 1 1



**THE ALASKA WILDLIFE ALLIANCE**

P. O. Box 190953  
Anchorage, Alaska 99519  
907-277-0897

February 24, 1989

Curt Menard  
Pouch V  
Juneau, AK 99811

Dear Representative Menard:

S.B. 176, which would allow the use of bison harvest permits for auctions and raffles, has passed out of the Senate and has been referred to the House Resources and then Finance committees. While the use of big game permits for fund raising may seem appealing, we have several concerns about the process being proposed.

It is unclear to us what "qualified organizations" are targeted by the wording of S.B. 176, line 17. It is defined in lines 28 and 29 as a "nonprofit corporation established to promote fish and game law enforcement..." Since most nonprofit organizations that have an interest in wildlife also support enforcement for the protection of that wildlife, many kinds of groups would be eligible under the bill. However, only a portion of those non-profits promote consumptive use of wildlife resources.

As conflicts among users groups are battled out in the legislature, with the Department of Fish and Game and before the Board of Game, it would be unethical for one of the vying interest groups to be involved in fund raising activities for the state. S.B. 176 clearly recognizes the priority consumptive users are given in Alaska's wildlife management programs and fund raising for the state would only strengthen this priority.

Non-consumptive users make up a majority of Alaska's residents, and the current system leaves those users virtually unrepresented in wildlife management policy. Hunting is not the only legitimate value of wildlife, yet this bill will further promote that idea and the notion that wildlife should be managed only for game users.

In S.B. 176 the authority to give out permits as fund raisers is given to the Department of Fish and Game. Since the organization keeps part of the proceeds the department would be handing out monetary favors to the sportsmen it is required to regulate. The department should be fairly weighing the interests of wildlife and all users in its management decisions.

It should not be the role of the state to "raffle off" the right to hunt an animal. The role of the state should be to wisely manage wildlife so that all users and wildlife benefit. We hope that you will recognize the inherent conflict this bill proposes and voice these concerns. We encourage you to vote against passing the bill out of the Resource committee, on Wednesday, April 26.

Thank you for your time. Please feel free to contact me if you require further information on our views about this or any other pending legislation.

Sincerely,



Valerie Brown  
Staff Representative

# THE ALASKA WILDLIFE ALLIANCE

P. O. Box 190953  
Anchorage, Alaska 99519  
907-277-0897

## Position on Senate Bill 176

The Alaska Wildlife Alliance opposes S.B. 176, a bill to allow the sale of big game harvest permits as prizes.

- While many groups support law enforcement efforts for wildlife, all of those organizations do not promote consumptive use of wildlife resources.
- It would be unethical for a user group involved in conflicts before the legislature, with the Department of Fish and Game and before the Board of Game, to be involved in fund raising activities for the state.
- S.B. 176 clearly recognizes the priority consumptive users are given in Alaska's wildlife management programs and fund raising activities for the state would strengthen this priority.
- Non-consumptive users make up a majority of Alaska's residents, yet the current system leaves those users virtually unrepresented in wildlife management policy. Hunting is not the only legitimate value of wildlife, yet this bill will further promote that idea and the notion that wildlife should be managed only for game users.
- S.B. 176 gives authority to ADF&G to give out permits for fund raising. Since the organization keeps part of the proceeds the department would be handing out monetary favors to the sportsmen it is required to regulate.
- The department should be fairly weighing the interests of wildlife and all users in its management decisions.

It should not be the role of the state to "raffle off" the right to hunt an animal. The role of the state should be to wisely manage wildlife so that all users and wildlife benefit. Other schemes for fund raising should be sought that do not involve the users the state is required to regulate.

This bill proposes a conflict among user groups and the state agency that is required to regulate those user groups. To vote yes on this bill would be endorsing a questionable link between the state and consumptive wildlife user groups as well as supporting the position that wildlife should be managed primarily for game production.

**ZENITH 3377**



**ALASKA FISH & WILDLIFE  
SAFEGUARD**

P.O. Box 6188, Annex, Anchorage, Alaska 99502  
2662 Douglas Hwy, Juneau, AK 99801  
19 April 1989

Representative Curt Menard  
Co-chairman  
House Resources Committee  
P.O. Box V  
Juneau AK99811

Dear Sir:

As a member of Fish & Wildlife Safeguard Board for S. E. Alaska I urge your committee's affirmative action on CS for Senate Bill 176, concerning bison harvest permit auctions and lotteries.

The purpose of this legislation in its present form is primarily publicity for the program. A ten percent return will obviously produce some money, but as the Board's treasury is currently meeting the rewards being processed, we seek greater understanding and use of the program by the public. We think that a popular item to the hunting public of a chance on a bison permit, in addition to those processed by the Department, will provide such publicity.

Safeguard, as I am sure you are aware, is a form of public involvement in the management of fish and wildlife resources common to many states. Cases of misuse of public resources in the field when called to the attention of protection personnel result in efforts applied directly to a known or probable problem. These are cost effective, often speedy, and receive a warm welcome from the law-abiding users of our fish and wildlife.

As stated earlier we on the Boards are constantly reminded that much remains to be done in getting the word out that Safeguard exists and is working. Our hope is that bison raffles will help spread the public knowledge of and participation in the program.

Therefore, I urge your committee's prompt and favorable attention to this bill so that it becomes law this session.

Sincerely,

*D.W. Dean*  
D. W. Dean

cc. Rep. W. Hudson

**TAKE AIM ON VIOLATIONS**