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30

HOUSE COMMITTEE REPORT

(9)

Date Referred: April 10, 1989

FURTHER REFERRALS: FINANCE

Date of Committee Action: 4-25-89

The RESOURCES Committee considered:

CSSB 30(FIN)

CS FOR SENATE BILL NO. 30 (Finance) am!

[REPEAL 25 CT HUNTING/FISHING/TRAP]

"An Act relating to the resident hunting, trapping, and sport license for low income or indigent persons and to applications for fish and game licenses, tags, and permits; and providing for an effective date."

RECOMMENDATIONS:

- be replaced with _____ [] the [] a n
- have attached amendment(s)
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: Senate Resources ^{Fin} letter of intent

ATTACHES NEW FISCAL NOTE(S): (Dept) APPROVES PREVIOUS: (D)

- fiscal impact _____ [X] fiscal note(s) 7 + 6
- zero fiscal note _____ [] zero fiscal note(s) _____
- zero with analysis _____ [] zero fn/analysis _____

SIGNING DO PASS:

SIGNING: (Check appropriate column)

_____	_____	
_____	_____	
_____	_____	
_____	_____	X
_____	_____	
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DO NOT PASS

Chairman's Signature



Official Business

Alaska State Legislature

Senate

Committee on Finance

Pouch V
State Capitol
Juneau, Alaska 99811

LETTER OF INTENT

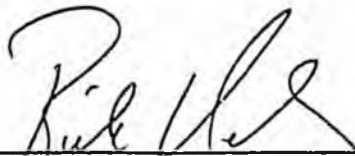
FOR

CS FOR SENATE BILL NO. 30 (FINANCE)

With the passage of this legislation, it is the intent of the Legislature to direct the Department of Fish and Game to decrease the number of people who obtain the low-income licenses fraudulently with the

- * use of a separate form for low-income application which clearly spells out the qualifications for a low-income license; the penalties for both falsification of information on the application (including voiding of the license) and the use of a license that is obtained fraudulently; and the requirement that all applicants will supply proof of eligibility upon request. The form should also indicate that failure to supply such proof upon request voids the license, makes the applicant subject to prosecution for fishing, hunting, and trapping without a license, and is also a misdemeanor which, upon conviction, is punishable by a fine of not more than \$1,000 and/or not more than six months in jail.
- * increased education of licensing vendors on the eligibility requirements and penalties for low-income licenses.
- * increased monitoring efforts by the department's licensing section, including biannual cross-check with the Department of Health and Social Services public assistance records. The names of those who have indicated their eligibility for the low-income license because of their receipt of public assistance but do not appear on public assistance records will be immediately sent to the Department of Public Safety for investigation.

The Department of Fish and Game and the Department of Public Safety shall report back to the Legislature by January 31, 1991, on the results of these efforts.



Senator Rick Uehling, Co-chair
April 4, 1989

Senate adopted 4/7

FISCAL NOTE

REQUEST:

Revision Date: 03-30-89
 Title: "An Act relating to...license for low income or indigent persons"
 Sponsor: Senator Fischer
 Requestor: _____
 Agency Affected: Fish and Game
 BRU: Administration, Sport Fish, Wildlife Conservation
 Components: Administrative Services

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						
CAPITAL						
REVENUE		64.8	149.4	149.4	149.4	149.4

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER Fish & Game		64.8	149.4	149.4	149.4	149.4
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

See enclosed.

Prepared by: Beverly Reames Phone: 465-4120
 Division: Administration Date: 03-30-89
 Approved by Commissioner: [Signature] Date: 3/30/89
 Agency: Fish and Game

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

Original sponsor: Fischer

1 IN THE SENATE BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 30 (Finance)

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 resident hunting, trapping,
7 and sport fishing license for low income or indigent
8 persons and to applications for certain fish and game
9 licenses, tags, and permits; and providing for an
10 effective date."

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

12 * Section 1. AS 16.05.340(a)(6) is repealed and reenacted to read:

13 (6) Resident hunting, trapping, and sport fishing li-
14 cense.....32

15 however, the fee is \$5 for an applicant who

16 (A) is the head of a family or a dependent member of
17 that family, or is solely self-supporting; and

18 (B) subject to the requirement that the applicant
19 provide proof of eligibility under this subparagraph when re-
20 quested by the department,

21 (i) is obtaining or has obtained assistance
22 during the preceding six months under any state or federal
23 welfare program to aid the indigent; or

24 (ii) has an annual family gross income of less
25 than \$8,200 for the year preceding application.

26 * Sec. 2. AS 16.05.340(a)(17)(A) is amended to read:

27 (A) A person may not engage in waterfowl hunting
28 without having the current year's waterfowl tag in the person's
29 actual possession, unless that person

1 (a) Except as provided in AS 16.05.420(b), a [A] person who
2 violates AS 16.05.330 - 16.05.420 or a regulation adopted under
3 AS 16.05.330 - 16.05.420 is guilty of a misdemeanor and upon conviction
4 is punishable by a fine of not more than \$1,000, or by imprisonment
5 for not more than six months, or by both.

6 * Sec. 6. AS 16.05.660 is amended to read:

7 Sec. 16.05.660. LICENSE EXEMPTION. A person may, by complying
8 with the \$5 [25-CENT] license requirement of AS 16.05.340(a)(6), take
9 not more than 2,000 pounds each of tom cod, blue cod, smelt, pickerel,
10 white fish, and spider crab a year from waters of the state.

11 * Sec. 7. This Act takes effect January 1, 1990.

Alaska State Legislature

Senator Paul Fischer
Senate District D
Box 784
Soldotna, Alaska 99669
(907) 262-9420 W
262-9269



White in Juneau
P.O. Box V
Juneau, Alaska 99811
(907) 465-3791

State Senate

MEMORANDUM

RECEIVED APR 12 1989

TO: Representatives Cliff Davidson and
Curt Menard, Co-Chairmen
House Resources Committee

FROM: Senator Paul Fischer *PF*

SUBJECT: Committee Substitute to Senate Bill 30 am
(resident hunting, trapping, and sport fishing
licenses for low income or indigent persons)

DATE: April 11, 1989

I would appreciate your scheduling the above referenced bill before the House Resources Committee at your earliest possible convenience.

As you are aware, this legislation received considerable review during the Fifteenth Legislature. Additionally, the Senate Resources and Finance Committees along with representatives from the Department of Fish and Game have spent a great deal of time reviewing this entire licensing program and the legislation you have before your committee is a culmination of their efforts.

The Department of Fish and Game has testified for several years that there is no question that this program has cost the state considerable money to administer and has not generated any revenues. The Committee Substitute now will generate revenues for the fish and game fund.

Additionally, since there was absolutely no verification of an applicant's qualifications for this license, the program was open to abuse.

I have attached fiscal notes from the Departments of Public Safety and Fish and Game, as well as a letter of support from The Alaska Outdoor Council.

Your consideration will be greatly appreciated.

PAF/sgn

Attachments

CS 58 30

- ASSUMPTIONS: (1) THE FIRST HALF OF FY90 WILL HAVE LICENSES SOLD AT 25 CENTS
(2) 25% OF THOSE PREVIOUSLY PURCHASING 25 CENTS LICENSES WILL BUY A FULL PRICE HUNTING/FISHING COMBINATION LICENSE
(3) HALF WILL BUY A \$5 LOW-INCOME LICENSE
(4) SEPARATE LOW INCOME LICENSE CREATED
(5) CURRENT LICENSE FEES STAY IN EFFECT

IN FY88 17,500 LICENSES WERE SOLD AT 25 CENTS PER LICENSE

THE VALUE EQUALED $17,500 \times .25 = \$4,375$

PROJECTED SALES IN FY90 (FIRST HALF OF YEAR AT 25 CENTS)

FIRST SIX MONTHS OF FY90	9400 x .25 =	\$2,350
SECOND SIX MONTHS OF FY90		
NEW LOW INCOME LICENSE	6075 x 5	\$30,375
COMBINATION LICENSE AT FULL PRICE	2025 x 22	\$44,550
TOTAL SALES FY90		\$77,275

PROJECTED SALES FY91 AND BEYOND

LOW INCOME LICENSES	13125 x 5	\$65,625
COMBINATION LICENSE AT FULL PRICE	4375 x 22	\$96,250
TOTAL SALES FY91		\$161,875

EXPENSES:

PRINTING 15,000 LOW INCOME LICENSES	\$5,000
DISTRIBUTION/POSTAGE COSTS	\$2,500
HEALTH & SOCIAL SERVICES VERIFICATION OF ELIGIBILITY FOR LOW INCOME LICENSE	\$5,000
TOTAL EXPENSES	\$12,500

TOTAL NEW REVENUE FY90 \$64,775

TOTAL NEW REVENUE FY91 \$149,375

MAR 06 1989



ALASKA OUTDOOR COUNCIL, INC.

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

March 6, 1989

Senator Paul Fischer
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Senator Fischer:

This is to advise you that the Alaska Outdoor Council is again officially supporting SB 30 which would repeal the present 25 cent license.

Our Board of Directors met recently and established the AOC position. The Board also advised that they are most concerned that major changes be made to the 25 cent license system before any support is given to increasing sport license fees. Recent exposure of the 25 cent license fee abuses requires legislative corrective actions.

We appreciate your interest in this worthwhile endeavor and pledge to give you our full support in gaining passage of some legislation correcting this situation.

Sincerely,

Ron Somerville
Executive Director

Affiliated with National Rifle Association

- SPONSOR'S BACKGROUND INFORMATION -



ALASKA OUTDOOR COUNCIL, INC.

3730 McGINNIS DR. JUNEAU, AK 99801
(907) 789-3450

January 17, 1989

Senator Paul Fischer
Pouch V
Juneau, AK. 99811

Dear Senator Fischer:

I would like to submit this letter on behalf of the Alaska Outdoor Council regarding our support for Senate Bill 30.

For the record, the Alaska Outdoor Council is a federation of 53 Alaskan sportsmen and outdoor organizations with a membership of over 11,000.

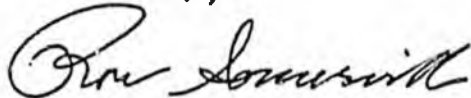
We have reviewed SB 30 as part of our analysis of the State's funding proposals for fish and wildlife programs. In our opinion, the 25 cent license has long since outlived its usefulness. Numerous examples abound where the present low income license law is being misused and abused. A calculation of eligible recipients within Alaska by comparing agency records indicate that at least 40% of the 25 cent license recipients were ineligible. The recent adoption of no fee subsistence permits also obviates whatever need existed for 25 cent licenses for subsistence fishing.

We are not opposed to the State providing no-cost or lowered cost hunting and fishing licenses for those individuals who are long time residents of Alaska and who are truly dependent on fish and wildlife resources. We would prefer that a totally welfare oriented program, however, be subsidized directly by the Department of Health and Social Services rather than at the expense of the management programs. We are also opposed to subsidizing new residents to the State who are located in the major metropolitan areas (over 30% issued in Fairbanks and Anchorage alone) and have access to other State aide programs. Subsidizing these individuals through this process means less revenue for critical fish and wildlife programs and encourages low cost competition for some limited resources. The Department of Revenue had projected last year that passage of this type of legislation would increase license revenue by \$200,000 annually.

Certainly, in this day and age when the State is providing a \$800+ dividend for every man, woman and child, it is not unreasonable to ask that we all purchase a resident hunting and fishing license when we are of age.

We appreciate your efforts on this legislation and we will assist in working for passage of SB 30.

Sincerely,

A handwritten signature in cursive script, appearing to read "Ron Somerville".

Ron Somerville
Executive Director

<u>Name</u>	<u>Address</u>	<u>Signature</u>
Silas W. Hill	P.O. Box 267 Delta Jct.	Silas W. Hill
Elwin L Foster	" " 671 DELTA JCT	E. Foster
Louis E. Heinbockel	" " 889 Delta Jct.	L. Heinbockel
Suey C. Dunham	4952 Arctic Grayling Delta Jct	Suey C. Dunham
John Mikesell	Box 156 Delta Jct	John Mikesell
Michael O. McCowan	1712 Tanana Loop ^{DS, AK} EXT.	Michael O. McCowan
Sylvia Lynn Olberg	P.O.B. 1068 Delta Jct	S. Lynn Olberg
Nancy Jo Morris	Box 525 Delta Jct.	Nancy Jo Morris
Mary Hansen	Box 523 - Delta Jct.	Mary Hansen
LaNell Theisen	Box 212 Delta Jct, AK	LaNell Theisen
Eugene R Riedel	P.O. 442 Delta Jct. AK	Eugene R Riedel
Ellen A. Wofford	P.O.B. 1357 Delta Jct AK.	Ellen A. Wofford
Cheryl Bobo	1400.2 Alaska Hwy Delta Jct. AK.	Cheryl Bobo

WE, THE UNDERSIGNED, SUPPORT SENATE BILL 30
AND HOUSE BILL 248, REPEALING THE 25-CENT
LICENSE FEES.

NAME	ADDRESS	SIGNATURE
James C Harris	Box 1216 D.J.	James C. Harris
DEAN Wm Cummings	Box 737 Delta Jct	Dean Wm Cummings
Jim Weidner	Box 344 Delta	James Weidner
Charles B. Andreeus	5464 Dickson Rd Delta	Charles B. Andreeus
LARRY L. FETT	BOX 49 DELTA JCT. AK.	Larry L. Fett
HOWARD D. BEITO	P.O. Box 905 Delta Jct AK	Howard D. Beito
Mike Bobo	Mi. 1400.2 Alaska Hwy. Delta Jct.	Mike Bobo
J. K. SPIERS	1813 KEASTER RD., D. J.	J. K. Spiers
Paul F. Karczmarczyk	Box 752, Delta Jct, AK	Paul F. Karczmarczyk
Mary K. Andrews	5464 Dickson Road Delta	Mary K. Andrews
Scott Schultz	1403.5 AK Hwy. D.J., AK	Scott Schultz
Ronald W. Stewart	Box 51 Delta Jct. AK	Ronald W. Stewart
Donald W. Bunselmeier	P.O. Box 57 Delta Jct AK	Donald W. Bunselmeier
STEVE DUBBIS	PO BOX 702 DELTA JCT AK	Steven D. Dubois
DEAN CUMMINGS	Box 862 DELTA JCT AK	Dean W. Cummings
HARRY KRÖPPEL	Box 564 DELTA Jct AK	Harry K. Kroppel



TELECOPY COVER SHEET

Delta Junction Legislative Information Office

Office - (907) 895-4236

Fax - (907) 895-5017

SENATE FINANCE & HOUSE RESOURCES

FAX: _____

PHONE: _____

Delta

FROM: Mike Bobo, Fish & Game Advisory Committee

PHONE: 895-4671

INSTRUCTIONS: _____

RECEIVED: Date 3/30/89

Time _____

SENT: Date 3/30/89

DISPOSAL OF ORIGINAL:

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NUMBER OF PAGES: 2 20

heet)

SENT BY: Luz

*Deliver to
Rep Davidson*

Opposition grows to 25-cent licenses

By KELLY BOITIAN
Staff Writer

Findings that the number of 25-cent licenses issued in the state jumped dramatically in past years, and that many of those licenses may have been issued illegally, could lead to the elimination of the licenses.

Originally, the licenses loosely were named the "subsistence license," but that term was dropped when confused with subsistence regulations, according to Cecilia Wagoner, accounting supervisor for the licensing section of the Alaska Department of Fish and Game. "We call it the low-income license," she said.

The accepted theory seems to be that the licenses originally were issued to provide low-income families a chance to support themselves with food gained by means of sport harvest. A regular combination hunting, fishing and trapping license costs \$32.

But vendors say they don't like handing them out. The Department of Fish and Game has found information that more than half may be obtained illegally, and a senator from Soldotna has presented a bill to the Legislature that would do away with the licenses, which have been around since before statehood.

Licenses that cost

According to Alaska statutes, to obtain the inexpensive hunting, trapping and sport fishing license, a person must:

- Be an Alaskan resident.
- Be the head of a family or dependent member of a family, or be solely dependent on oneself for support.
- Present proof that the applicant is obtaining, or has obtained, assistance during the past six months under any state or federal welfare program to aid the indigent.
- Present proof that the applicant has an annual family gross income of less than \$5,600 for the year preceding.

Buyers must sign an affidavit on the back of the original license copy, under penalty of perjury, stating they qualify, Wagoner said.

Officials and license vendors say the system has been a target for abuse, however, because it is not clearly defined which benefit programs fit in the "state or federal welfare program" category and because vendors cannot enforce the regulation.

Fish and Game figures show the number of 25-cent licenses issued increased threefold in 10 years; from 5,463 issued in 1987 to 17,930 in 1987. Each 25-cent

license costs the state more than \$1 to administer, Wagoner said. The state's fish and game department keeps the 25 cents as a commission and also is paid an administration fee of \$1 per license or more. That doesn't include the costs of processing," she said.

That makes the program costly to the state general fund, and is seen as a loss to the state fish and game fund because of the lost potential revenue.

Survey finds abuse

The Department of Fish and Game has maintained that this is a social service program and it is not the prerogative of the department to initiate a change. The department did look into the matter, however.

Warren Wiley, deputy commissioner, began to look into the 25-cent license after the topic kept resurfacing during legislative hearings last year.

"People kept making reference to abuses of these 25-cent licenses. I had never given it a thought. But then I've only been here one year," he said. After discussing the situation with members of the board of the Alaska Outdoor Council he initiated a test of a random sampling of 25-cent license holders.

The Department of Health and Social Services processed an informal audit of 500 randomly selected names of people who purchased 25-cent licenses in the first half of 1988 against a state list of welfare recipients between July 1987 and June 1988.

The survey found 278 out of the 500, or 55 percent, were not receiving state or federal assistance.

"Frankly it surprised me," Wiley said. "I think it surprised a lot of people. Just in idle conversation, people would say, 'Gee I bet 15, or 20 percent of those things are phoney.' It just knocked me over when I saw that 55 percent didn't match."

If the licenses are repealed, or even administered more carefully, it could save the department as much as \$200,000 or even \$300,000 annually, Wiley said. "If you take half of the 17,000 licenses and multiply that by \$22, and, even further, if you take the license increase bill into consideration and multiply it by \$40, then you start talking some real dollars," he said.

Not a new issue

Sen. Paul Fischer, R-Soldotna, has watched the 25-cent license issue with interest for years.

He has introduced legislation to repeal the license every legislative session for the past six years, according to Sandy Nus-

baum, special assistant to the senator. This year, he has introduced...

Fischer has obtained complete printouts of 25-cent license recipients in the past and he doesn't like the way the list breaks down. "The majority of them are 18-23 year-old Caucasians from Anchorage and the larger cities," he said. "You see the names of people in well-to-do areas and you have to wonder what they're doing on that list," he said.

The list also showed 30-40 names with out-of-state addresses, Nusbaum said. "It's incredible when you look at it," she said.

Fischer said the low-income license is outdated, abused and a waste of money. "I don't think it's needed at all," he said.

"If someone is on welfare the state already helps them in another sense when they get a Permanent Fund dividend of \$800," he said.

Vendors on the line

Fischer said the people who best know of the abuses are those who issue them. "They sell somebody a 25-cent license, then the same guy turns around and buys \$300 worth of sport fishing gear," Fischer said. "The dealers would prefer not to sell them but, at the same time, they aren't capable of enforcement."

Ken Buttolph, owner of Fin-N-Fur Sporting Goods in Gavora Mall, said he sells quite a few of the 25-cent licenses and knows there are abuses. "I've had guys come in here and by a 25-cent license and pull out a roll of \$100 bills that would choke you," he said. "I know one guy was running for office in the state and his kid came in, you know that can't be right," he said.

"I don't even question it because it's not my place. But in the back of mind I'm always thinking, 'hey, why are we doing this.' But that's the law. It's abused completely."

John Corning, a clerk at Frontier Sporting Goods, said he feels sorry for those who honestly need the inexpensive license, but said the regulation needs to be more stringent.

"I've had three guys come in with a dollar between them, buy three licenses, and then have a quarter left and not know how to split it up," he said. "What gripes me is the guy who's been working on the Slope and already made in three months what I make in a year, and because he was seasonably employed and taking unemployment he says he qualifies for a 25-cent license."

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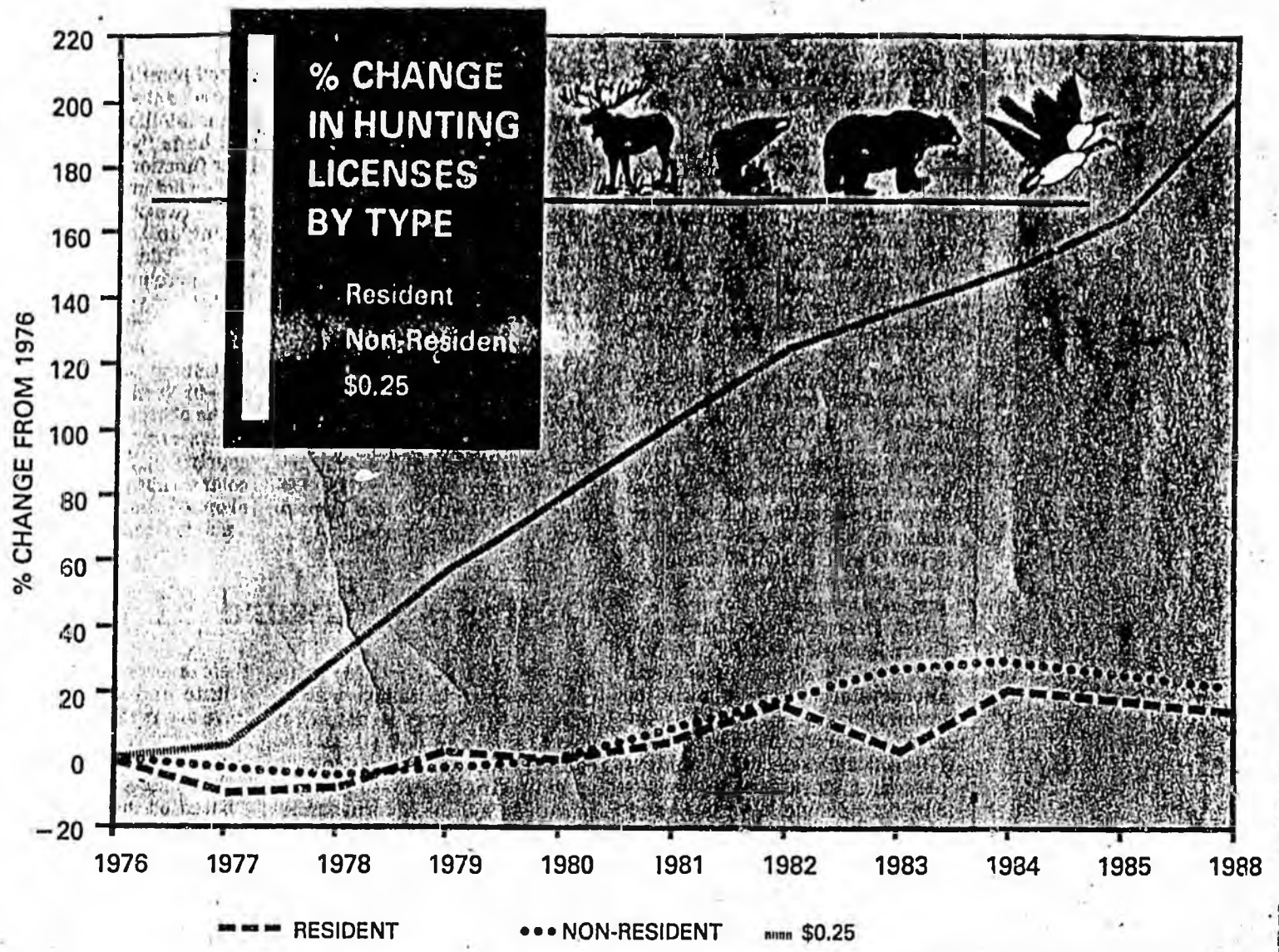
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Fairbanks News-Times 2-3-89

FDX Newsline 3-3-84



Source: Alaska Department of Fish and Game