

HB

124

SENATE FINANCE COMMITTEE REPORT

DATE: 5/3/90

FURTHER: _____

DATE TURNED INTO OFFICE: 5/6/90

The Finance Committee considered CSHB 124 (Rules) am
Increase sport, hunt, fishing license fees; efd.

and recommended:

replace with S CS CSHB 124 (Fin) same title
 or adopt _____ CS _____ new title
 attached amendment(s) technical
 _____ letter of intent adopted title change
(HB only)

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

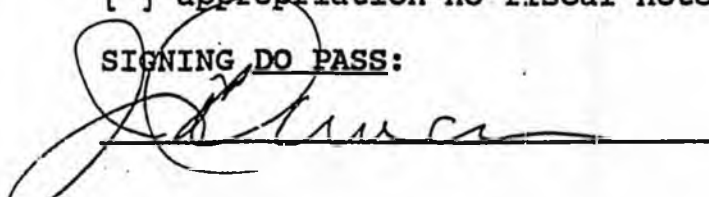
ATTACHES NEW FISCAL NOTE(S):

fiscal note(s) _____ Dept/Date: _____

zero fiscal note(s) _____

appropriation-no fiscal note

SIGNING DO PASS:



APPROVES PREVIOUS:

fiscal note(s) DFSG 3/27/90 Dept/Date: _____
1013.0 revenue

zero fiscal note(s) _____

OTHER RECOMMENDATIONS:

Don Rieff No Rec
Paul F. Harrell No Rec
Paul F. Harrell No Rec
Paul F. Harrell No Rec
Paul F. Harrell No Rec

1. Paul F. Harrell Do Pass
2. Paul F. Harrell No Rec
co-chairs' Signatures and Recommendations

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: "An Act relating to sport fishing and hunting licenses. . ."
Sponsor: Rules
Requestor: Governor

Agency Affected: Fish and Game
BRU: Wildlife Conservation, Sport Fish, Administration
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING						

CAPITAL						
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REVENUE	1013.0	3839.3	3850.0	3850.0	3850.0	3850.0
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FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER Fish & Game	1013.0	3839.3	3850.0	3850.0	3850.0	3850.0
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

No FY 90 impact.

Prepared by: Beverly Reaume *Beverly Reaume* Phone: 465-4120
Division: Administration Date: 3/22/90

Approved by Commissioner: *John H. Hilday* Date: 3 27 90
Agency: Fish & Game

Distribution (by preparer):

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

Changes in SCG CSHB 124 (Fin) have no fiscal impact. This fiscal note is appropriate. 5/6/90 *me*

Adopted

UNBUDGET
* ASSUMPTIONS FOR LICENSE FEE FISCAL NOTE

3/22/90

RESIDENT	1989 ACTUALS	%JAN-JUN	ANNUAL VALUE AT CURRENT FEE	ANNUAL VALUE AT INCREASED FEE	FY91 INCREASE (PARTIAL YEAR)	FY92 INCREASE
HUNT	23189	42.1%	278268	549725	114246	271457
HUNT/TRAP	1516	62.4%	33352	60640	17015	27288
TRAP	1032	52.6%	10320	15480	2716	5160
SF/HUNT/TRAP	6363	52.6%	203616	286335	43510	82719
SF/HUNT	43548	42.0%	958056	1524180	237772	566124
FISH	115332	41.7%	1153320	1729980	240372	576660
FISH FARM	1	0	200	400	0	200
FUR DEALER	45	48.6%	4500	6750	1093	2250
TAXIDERMY	51	75.0%	7650	10200	1913	2550
GAME BIRD FARM	4	100.0%	80	200	120	120
DIP NET FISHING				155000	65100	155000
NONRESIDENT						
HUNT	8543	15.1%	512580	726155	32276	213575
HUNT/TRAP	35	15.1%	7000	8750	264	1750
FUR DEALER	1	0.0%	400	500	0	100
TAXIDERMY	4	66.7%	1600	2000	267	400
ALIEN HUNT	-	15.1%	-	90000	13590	90000
ALIEN TAGS	-	15.1%	-	162100	24477	162100
TAGS	-	14.4%	2936580	3413600	68691	477020
FISH	23338	23.7%	840168	1166900	77337	326732
FISH 14 DAY	63760	7.8%	1275200	1912800	49458	637600
FISH 3 DAY	64143	9.5%	641430	721609	7605	80179
FISH 1 DAY	0	9.5%	0	160358	15209	160358
TOTALS			8864320	12703661	1013030	3839341
DIVISION OF WILDLIFE CONSERVATION					397270	1498907
SPORT FISH DIVISION					615760	2340534

* .25 LICENSES AND DUPLICATES WERE LEFT OUT OF THESE CALCULATIONS
ASSUME THERE WILL BE 15500 DIP NET LICENSES SOLD

Original sponsor(s): Rules/Governor

IN THE HOUSE

BY THE FINANCE COMMITTEE

SENATE CS FOR CS FOR HOUSE BILL NO. 124 (Finance)

IN THE LEGISLATURE OF THE STATE OF ALASKA

SIXTEENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to sport fishing, trapping, and hunting licenses, to big game tags, to personal use salmon dip net fishing permits, to fur dealer, taxi-dermy, aquatic farming, and game farming licenses, and to duplicate licenses and tags; relating to the definition of resident in fish and game laws; relating to use of revenue from sport fishing, trapping, and hunting licenses and tags; relating to the involuntary transfer of entry permits; and providing for an effective date."

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

* Section 1. AS 16.05.130 is amended by adding a new subsection to read:

(d) Revenue from the sale of general hunting, trapping, and fishing licenses and tags together with the federal matching funds from Pittman - Robertson, Dingell - Johnson/Wallop - Breaux programs shall be allocated by the department to programs intended to directly benefit license purchasers of general hunting, trapping, and fishing licenses. The department shall provide an annual report by project of expenditures from the fish and game fund.

* Sec. 2. AS 16.05.340(a)(7) is amended to read:

(7) Nonresident special sport fishing license -- valid for the period inscribed on the license

(A) For 14-day license.....\$30 [\$20]

(B) For three-day license15

(C) For one-day license.....10

* Sec. 3. AS 16.05.340(a)(8) is amended to read:

(8) Nonresident sport fishing license.....50 [36]

* Sec. 4. AS 16.05.340(a)(9) is amended to read:

(9) Nonresident hunting license.....85 [60]

* Sec. 5. AS 16.05.340(a)(10) is amended to read:

(10) Nonresident hunting and sport fishing
license.....135 [96]

A nonresident may not take a big game animal without previously purchasing a numbered, nontransferable, appropriate tag, issued under (15) of this subsection. The tag must be affixed to the animal immediately upon capture and must remain affixed until the animal is prepared for storage, consumed, or exported. A tag issued but not used for an animal may be used to satisfy the tagging requirement for an animal of any other species for which the tag fee is of equal or less value.

* Sec. 6. AS 16.05.340(a)(11) is amended to read:

(11) Nonresident hunting and trapping license....\$250 [\$200]

* Sec. 7. AS 16.05.340(a)(12) is amended to read:

(12) Fur dealers:

(A) Resident fur dealer biennial license.....150 [100]

(B) Nonresident fur dealer biennial license..500 [400]

* Sec. 8. AS 16.05.340(a)(13) is amended to read:

(13) Taxidermists:

(A) Resident taxidermy biennial license.....200 [150]

(B) Nonresident taxidermy biennial license...500 [400]

* Sec. 9. AS 16.05.340(a)(14) is amended to read:

(14) Aquatic [FISH] farming triennial [BIENNIAL]

license.....400 [200]

* Sec. 10. AS 16.05.340(a)(15) is amended to read:

(15) Nonresident big game tags:

(A) Bear, black, each.....225 [200]

(B) [REPEALED.]

(C)] Bear, brown or grizzly, each.....500 [350]

(D) BEAR, POLAR, EACH.....500

(C) [(E)] Bison, each.....450 [350]

(D) [(F)] Caribou, each.....325 [300]

(E) [(G)] Deer, each.....150 [135]

(F) [(H)] Elk, each.....300 [250]

(G) [(I)] Goat, each.....300 [250]

(H) [(J)] Moose, each.....400 [300]

(I) [(K)] Sheep, each.....425 [400]

(L) WALRUS, EACH500

(J) [(M)] Wolf, each.....175 [150]

(K) [(N)] Wolverine, each.....175 [150]

(L) [(O)] Musk oxen, each.....1,100

* Sec. 11. AS 16.05.340(a)(18) is amended to read:

(18) Game farming:

(A) Game mammal or game reptile farming biennial license.....\$250 [200]

(B) Game bird farming biennial license.....50 [20]

* Sec. 12. AS 16.05.340(a) is amended by adding new paragraphs to read:

(19) Nonresident small game hunting license.....20

(20) Nonresident alien hunting license.....300

A nonresident alien may not take a big game animal without previously purchasing a numbered, nontransferable, appropriate tag, issued under (21) of this subsection. The tag must be affixed to the animal

immediately upon capture and must remain affixed until the animal is prepared for storage, consumed, or exported. A tag issued but not used for an animal may be used to satisfy the tagging requirement for an animal of any other species for which the tag fee is of equal or less value.

(21) Nonresident alien big game tags:

(A) Bear, black, each.....	\$300
(B) Bear, brown or grizzly, each.....	650
(C) Bison, each.....	650
(D) Caribou, each.....	425
(E) Deer, each.....	200
(F) Elk, each.....	400
(G) Goat, each.....	400
(H) Moose, each.....	500
(I) Musk oxen, each.....	1,500
(J) Sheep, each.....	550
(K) Wolf, each.....	250
(L) Wolverine, each.....	250

(22) Chitina personal use salmon dip net fishing permit
.....10

* Sec. 13. AS 16.05.340(c) is amended to read:

(c) The commissioner may issue a duplicate license or a duplicate tag as a replacement for a license or tag issued under (a) of this section. A fee of \$5 [\$2] shall be charged for each duplicate license or tag; however, a fee of \$2 shall be charged for each duplicate of reduced fee license issued to an indigent or low income person under (a)(6) of this section. The [AND THE] duplicate license or tag may [SHALL] not be issued unless the commissioner or a delegate is satisfied that the original has been lost or destroyed. [THIS

SUBSECTION DOES NOT APPLY TO A 25-CENT LICENSE ISSUED UNDER (a)(6) OF THIS SECTION.]

* Sec. 14. AS 16.05.940(25) is amended to read:

(25) "resident" means a person who for the preceding 12 consecutive months has maintained a permanent place of abode in the state and who has continually maintained a voting residence in the state; and in the case of a partnership, association, joint stock company, trust, or corporation, "resident" means one that has its main office or headquarters in the state; however, a member of the military service who has been stationed in the state for the preceding 12 consecutive months is a resident for the purposes of this paragraph, and the dependent of a resident member of the military service, who has been living in the state for the preceding year is a resident for the purposes of this paragraph; [,] and a person who is an alien but who for one year has maintained a permanent place of abode in the state is a resident for the purposes of this paragraph;

* Sec. 15. AS 16.43.170(a) is amended to read:

(a) Except as provided in AS 16.10.333 - 16:10.338 and in AS 44.81.230 - 44.81.250, entry permits and interim-use permits are transferable only through the commission as provided in this section and AS 16.43.180 and under regulations adopted by the commission. An involuntary transfer of an entry permit in a manner inconsistent with the statutes of this state and the regulations of the commission is void.

* Sec. 16. Section 15 of this Act takes effect immediately under AS 01.10.070(-).

* Sec. 17. Except for sec. 15 of this Act, this Act takes effect January 1, 1991.

Attachment A

SB 493 cont'd

Letter of Intent

TOP

CS FOR SENATE BILL NO. 493 (FINANCE)

The Finance Committee has adopted a committee substitute for CSSB 493 (Finance) which takes a different approach to compensating the reconstituted mental health trust for the use of its land from the approach taken in the committee substitute adopted by the Natural Resources Committee. Instead of basing the compensation on an arbitrarily selected value for the original one million acre land grant as in the Natural Resources Committee substitute, the Finance Committee substitute dispenses with a compensation formula based on valuing the original grant and simply establishes a guaranteed income stream for the mental health trust by annually allocating a fixed percentage of the state's unrestricted general fund revenues to the mental health trust income account.

In adopting this approach, the Finance Committee was guided by the following considerations;

(1) in chapter 48, SLA 1987, the legislature enacted a framework for settlement of the mental health trust controversy;

(2) under chapter 48, it was contemplated that (i) the state and the plaintiffs and interveners in the mental health trust land litigation, Weiss v. State, 4FAO-82-2208, would reach consensus on the value of the original one million acre mental health land grant, (ii) the original mental health land not in legislatively designated areas (e.g., parks, game refuges, etc.) would be exchanged for equal value general grant land in such areas, (iii) the original mental health land and the equal value exchange land in those areas would constitute the mental health trust corpus which the state would lease from the trust for eight percent of its fair market value per year, and (iv) the original mental health land not in legislatively designated areas would be removed from trust status;

(3) the state and the plaintiffs and interveners in the Weiss case have been unable to reach consensus on the procedures to be used to value the original one million acre land grant and the pool of potential exchange land, the plaintiffs

SB 493 cont'd

and interveners arguing that procedures producing a value of \$3.243 billion should be used and the state arguing that procedures producing a value of \$565.7 million should be used;

(4) this impasse over valuation may lead to continued costly, time-consuming, and divisive litigation over land issues, matters having nothing to do with the state's mental health program, leading to all of the adverse consequences noted by the legislature in subsections 1)(4)-(14)-1(a)(17) of chapter 48;

(5) while the legislative findings in chapter 48 are still true, the potential for continued costly, time-consuming, and divisive litigation over the value of the original one million acre grant, a matter having nothing to do with the state's mental health program, makes it no longer in the best interest of either the trust or the public to try to resolve the mental health trust controversy by determining the value of the original grant;

(6) instead, it is in the best interest of both the trust and the public to resolve the mental health trust controversy by reconstituting the mental health trust corpus as contemplated in chapter 48 but, instead of attempting to determine a rental value for the reconstituted corpus based on fair market value, a goal which cannot be achieved by consensus, compensating the trust for the use of the reconstituted corpus throughout the establishment of a permanent mental health trust income account into which five percent of the state's unrestricted revenue is allocated annually, and from which the legislature must first appropriate funds to meet the necessary needs of the state's mental health program; and

(7) annually allocating five percent of the state's unrestricted general funds in perpetuity will fairly compensate the mental health trust for the loss of its land because (i) even the most aggressive management of the land for the purpose of generating revenue cannot be guaranteed to generate any given amount of funds, (ii) the dedication of five percent of the state's unrestricted revenues to the mental health trust income account will provide greater predictability in the amount of funds available in that account annually, (iii) there will be no administrative expenses associated with generating funds for the

5/6/90 pm

Attachment 19

SB 493 cont'd

account, as there would be if funds had to be generated for the account through aggressive management of the land for that purpose, and (iv) the average per acre earnings for trust lands in other states in fiscal year 1988 was \$8.97, the highest per acre earnings (in the State of Washington because of its prime and easily accessible timber land) was \$45.68, and the dedication of five percent of the state's unrestricted revenue will result in per acre earnings of approximately \$125 per acre for the mental health trust in fiscal year 1991.

The purposes of the Finance Committee substitute for CSSB 493 (Finance) accordingly are:

- (1) to accomplish the purposes of chapter 48, SLA 1987, as set out in subsections 1(b)(1)-1(b)(7) of this Act; and
- (2) to establish, as full and complete compensation to the trust, and to "obtain," as that term is used in section 202(a) of the Alaska Mental Health Enabling Act, a permanent allocation of five percent of the state's unrestricted revenues from the general fund to the mental health trust income account.

Senator Binkley, Co-Chair, and Senators Frank and Pearce signed "do pass." Senator Uehling, Co-Chair, and Senators Duncan, Zharoff, and Fischer signed "no recommendation."

SENATE BILL NO. 493 was referred to the Rules Committee.

SB 517

The Finance Committee considered SENATE BILL NO. 517 (An Act relating to initiative and referendum elections in home rule municipalities) and reports it back without recommendation. Senators Binkley and Uehling, Co-Chairs, and Senators Duncan and Zharoff signed "no recommendation." Senators Fischer, Pearce and Frank signed "do not pass."

Previous zero fiscal note.

5/6/90 pm

SB 517 cont'd

SENATE BILL NO. 517 was referred to the Rules Committee.

HB 10

The Labor and Commerce Committee considered CS FOR HOUSE BILL NO. 10 (HESS) am (An Act relating to forgiveness of student loans of certain health care professionals, to taxation of student loans, and to student financial assistance; and providing for an effective date) and a majority of the committee recommended it be replaced with

SENATE CS FOR CS FOR HOUSE BILL NO. 10 (L&C)

and do pass. The report was signed by Senator Eliason, Chair, and concurred in by Senators Coghill, Faiks and Rodey. Senator Kerttula signed "no recommendation - we need to provide an equal program for all Alaskan college students."

Fiscal notes published today from Department of Health and Social Services and Alaska Commission on Postsecondary Education.

CS FOR HOUSE BILL NO. 10 (HESS) am was referred to the Finance Committee.

HB 53

The Judiciary Committee considered CS FOR HOUSE BILL NO. 53 (Judiciary) am (An Act relating to the privilege to drive, driver licensing, driving while intoxicated, and other procedures and matters related to driving and operating aircraft and watercraft and the revocation of driving privileges; amending Alaska Rules of Appellate Procedure 603 and 611(d); and providing for an effective date) and recommended it be replaced with

SENATE CS FOR CS FOR HOUSE BILL NO. 53 (Judiciary)

and do pass. The report was signed by Senator Faiks, Chair, and concurred in by Senators Szymanski, Malford, Rodey and Pearce.

Zero fiscal notes published today from Department of Public Safety and Department of Corrections.

DIVISION OF SPORT FISH

<u>PROJECT</u>	<u>LOCATION</u>	<u>SCHEDULE</u>	<u>EST. COST (X 1000)</u>
Strengthen Management Capability	Interior/SC	Long-term	400/yr
Aquatic Education Program	Statewide	Long-term	75/yr
Sport Fishery Matching Grant Prgm.	Statewide	Long-term	250/yr+
Fisheries Mgt. Plan Development	Statewide	5 years+	100/yr
Improved Research Design & Data Mgt.	Statewide	Long-term	75/yr
Coho Research (4 areas)	SE	Long-term	160/yr
Chinook Research (Nahlin R)	SE	Long-term	60/yr
Charter Boat Logbook	SE	3 years	45/yr
Rainbow Trout Enhancement-Ketchikan	SE	Long-term	66/yr
Steelhead Enhancement-Juneau	SE	Long-term	40/yr
Steelhead Enhancement-Sitka	SE	Long-term	30/yr
Coho Enhancement-Sitka	SE	Long-term	10/yr
PWI Lake Surveys	SE	2 years	41/yr
PWI Marine Creek	SE	Long-term	61/yr
Cutthroat Trout Studies-Ketchikan	SE	3 years	43/yr
Steelhead Studies (4 areas)	SE	3 years	98/yr
Florence Lake Cutthroat Studies	SE	2 years	54/yr
Susitna River Coho Studies	SC	Long-term	381/yr
Kenai River King Mortality Studies	SC	2 years	98/yr
Willow Creek Weir	SC	Long-term	47/yr
Kenai River Coho Sonar	SC	Long-term	70/yr
Little Susitna King Mortality Studies	SC	Short-term	32/yr
Stock Separation Analysis	SC	Long-term	35/yr
Anchorage Areas Salmon Enhancement	SC	Long-term	35/yr
Karluk Steelhead Studies	SC	Short-term	61/yr
Tebay Rainbow Trout/Steelhead Studies	SC	Short-term	38/yr
PWS Cutthroat Studies	SC	4-5 years	25/yr
Bristol Bay Lake Trout Studies	SC	4-5 years	42/yr
Susitna River Northern Pike Studies	SC	4-5 years	35/yr
Resurrection Bay Groundfish Studies	SC	4-5 years	16/yr
North Slope Lake Trout Studies	Interior	5 years	38/yr
Kobuk Northern Pike Studies	Interior	5 years	52/yr
Tok Northern Pike Studies	Interior	5 years	48/yr
Tok Lake Trout Studies	Interior	2 years	40/yr
Tok Grayling Studies	Interior	5 years	32/yr

Recently, an unanticipated need for state funds has emerged. Contrary to earlier predictions, the amount of Dingell-Johnson (D-J) funds available for sport fish programs in Alaska is projected to increase and may continue to increase over the next few years. These federal funds make up a significant part of our budget. However, D-J funds must be matched with at least 25 percent state funds, and sufficient state dollars may not be available from the fish and game fund in the upcoming years. If D-J appropriations increase as projected or if matching general funds currently utilized by the Divisions of FRED and Habitat are reduced, we will be facing the dilemma of having federal funds available for recreational fisheries programs that the state will, in essence, have to decline for lack of matching fish and game funds.

DIVISION OF WILDLIFE CONSERVATION

<u>PROJECT</u>	<u>LOCATION</u>	<u>SCHEDULE</u>	<u>ESTIMATED COSTS (X 1000)</u>
Marten research	GMU 4	5 years	56.0/yr
Increase goat surveys	GMU's 1, 5	Annual	9.0
Expand moose survey and inventory work (S&I)	GMU's 1, 5, & 20	Annual	35.0
Expand deer S&I	GMU's 1, 3, 4, 6, & 8	Annual	31.0
Increase caribou censuses	GMU's 7, 9, 10, 11, & 13-15	Annual	24.0
Increase monitoring of factors affecting caribou carrying capacity	GMU's 7, 9, 11, 13, 15, & 17	Annual	14.0
Increase moose censuses	GMU's 7, 9, 11, 13-16, & 20	Annual	70.0
Expand moose research center work--optimum carrying capacity and bull: cow ratios	GMU 15; state-wide application	Annual	12.0
Improve moose survey techniques	Statewide	5 years	35.0/yr
Research goat/logging relationships	GMU 6	2 years	33.0/yr
Regional furbearer biologists	Interior & Southcentral	Annual	125.0*
Increase wolf S&I	GMU's 11-26	Biennial	32.0
Expand furbearer S&I (e.g., lynx, marten, wolverine)	GMU's 6, 7, 9, 13-17, & 19-21	Annual	48.0

<u>PROJECT</u>	<u>LOCATION</u>	<u>SCHEDULE</u>	<u>(X 1000)</u>
Improve lynx and wolverine techniques	Stateside	5 years	30.0/yr
Increase sheep surveys	GMU's 7, 11-16, 19, & 20	Biennial	25.0
Elk censuses	GMU 8	Annual	4.0
Moose habitat enhancement and evaluation	GMU's 1, 5, 7, 12, 14, 15, & 20	5 years	160.0/yr
Increase field presence and law enforcement	Statewide	Annual	45.0
Predator-prey research and expand S&I	GMU 13	Annual	125.0*
Mentasta caribou herd calf mortality study	GMU 11	One time	50.0
Southern AK Pen. caribou calf mortality study	GMU 9	One time	65.0
Wildlife enhancement and fire management coordination	Interior & Southcentral	Annual	140.0*
Test infra-red bear census technique	GMUs 8, 9, & 17	One time	12.0
Initiate public cabin use program on selected refuges	GMUs 14 & 16	Annual	100.0-1st yr; 25.0/yr
Special Areas manager	GMUs 6, 8, 9, & 14-16	Annual	65.0*
Increase caribou S&I harvest management plans	GMUs 19, 20 & 20	Annual	15.0
Research on grizzly bear population dynamics	GMU 22	3 years	15.0/yr
Expand muskoxen S&I	GMUs 18, 23 & 26	Annual	28.0

<u>PROJECT</u>	<u>LOCATION</u>	<u>SCHEDULE</u>	<u>(X 1000)</u>
Tule white-fronted goose nesting and production surveys	GMUs 9, 16	3 years	35.0/yr
Maintain citizen participation in predator/prey management planning	Statewide	Annual	15.0
Conduct bison summer range habitat evaluation	GMUs 11, 19 & 20	Annual	8.0
Increase interaction with advisory committees	Statewide	Annual	45.0
Reinstate full-time asst. area biologists in Palmer and King Salmon	GMUs 9, 10, 14, & 16	Annual	60.0
Upgrade quality and expand content of regulation booklets	Statewide	Annual	18.0
Expand development of operational management plans	Statewide	Annual	25.0
Public annual report of division activities to better inform public of division programs	Statewide	Annual	12.0
Expand hunter education program via TV network: curriculum and instructor training videos	Statewide	Annual	65.0 1st year; 5.0/yr
Determine economic value of Alaska's wildlife	Statewide	4 years	125.0/yr
Upgrade wildlife infor- mation data base	Statewide	4 years	20.0/yr

*Requires new positions

CSHB 124

OVERVIEW

RECEIVED MAY 7 1990

Original Sponsor: Governor

Passed the House 30 to 10 on April 26

Related legislation: A bill to increase the low income license (SB 30) to \$5 is awaiting the Governor's signature. It passed the Senate 17 to 1 and passed the House 30 to 9. Enactment will generate 138.0 in revenues to the Department of Fish and Game (ADF&G) in FY 92.

The Senate Resources Committee considered CSHB 124 on May 2. As presented to the committee, the bill would generate nearly \$4 million (3,914.7) to the Fish and Game Fund.

The Alaska Board of Game endorsed and supported this legislation in letters to the Senate President and the House Speaker. The National Wildlife Federation, on behalf of its 8,000 Alaskan affiliate members, supports the bill, as does the Southcentral Regional Council. ADF&G has worked closely with the Alaska Outdoor Council in developing much of the language for CSHB 124. The Outdoor Council recognizes the need for additional revenues to the Fish and Game Fund.

It has been nearly 15 years since license fees were adjusted in Alaska. Some states have provisions for automatic adjustments in license fees tied to cost of living increases. If Alaska's resident fees had simply kept pace with the Anchorage CPI since 1977, the fees charged today would be higher than originally proposed in the Governor's bill. For example, the Governor's bill proposed to change the resident sport fishing license fee from \$10 to \$15. If the sport fishing license had been adjusted to keep pace with the CPI, today's cost would be over \$18; three dollars more than the department originally proposed.

The Senate Resources Committee version of the bill would reduce revenues to the department by nearly \$2 million. It would do so by deleting all proposed increases in resident fees while at the same time implementing increased fees for nonresidents.

Under the existing fee system a resident hunting license costs less than a box of twenty cartridges for a .300 Magnum rifle. At a time when costs to the department for aircraft time, boat charters, equipment, and personnel have risen, the revenues generated for the Fish and Game Fund have not kept pace. The Division of Sport Fish may soon face the possibility that it will not be able to match available federal funding.

After the department agreed to assume the license sales program which had been funded with General Fund money and administered by the Department of Revenue, a decision was made to pay for much of the administration of the program from the Fish and Game Fund, thus cutting more than \$390.0 from money formerly allocated for field projects.

Given today's pressures on budgets, along with the fact that these license fees have remained the same since 1977, the department feels an increase in all license fees is reasonable. There is a steadily growing list of projects demanded by hunters and fishers that the department simply cannot do without additional funding.

THREE BASIC PROVISIONS

First, CSHB 124 will permit the ADF&G to make available certain merchandise items identified with the department as a means to generate revenues. Nearly all similar state agencies engage in such programs to benefit nongame and educational programs. At the national level, several federal agencies, including BLM, the Fish and Wildlife Service, National Park Service, and others have signed an MOU aimed at supporting "watchable wildlife" programs in the states. Many states have already developed such

programs, and a portion of the funding for them is generated through the sale of department-identified items. Generally, it is not a major fundraiser.

Second, the main intent of CSHB 124 is to bring the state's license fees more in line with those charged in other states. The Legislature has already increased the low income license from 25 cents to \$5. It had remained at 25 cents since statehood. Other fish and game agencies in the western United States which face the same funding crunch confronting ADF&G have continually increased their fees. A list of resident fishing license fees for all states is attached.

Example:

For a resident to hunt deer the cost is:

Alaska	\$12
Alberta	\$28
British Columbia	\$27
Nevada	\$30

These fees are per animal, whereas in Alaska the single \$12 license covers a variety of big game species. In theory, an Alaskan resident can shoot several deer, a moose, caribou, small game, sheep, etc., on one \$12 license, plus permit application fees where applicable.

For nonresidents to hunt deer the cost is:

Alaska	\$195
Alberta	\$178
British Columbia	\$178
Montana	\$200

Nevada

\$210

In an effort to assist the charter boat and recreational fishing industry, CSHB 124 incorporates a one-day fishing license for \$10. Many visitors only want to fish for one day. The bill also contains a broader selection of licenses for both resident and nonresidents so that recreational hunters and fishers do not need to buy more than they need. For example, a small game license will only cost \$15 for those who do not intend to hunt big game. At the request of a sportsman group, a special permit fee is established for the Chitina Dip Net fishery.

Third, Section 23 of the bill adds language to protect limited entry permit holders from involuntary transfer of limited entry fishing permits. The Commercial Fisheries Entry Commission is prepared to testify on the importance and effect of this language.

USE OF THE PROCEEDS

Passage of CSHB 124 will provide the revenues needed to implement a long list of projects planned by the Divisions of Sport Fish and Wildlife Conservation. These added receipts to the Fish and Game Fund will allow ADF&G to continue to match available federal money.

While some members of the outdoor public may disagree with ADF&G on certain policies from time to time, there appears to be broad consensus that the department needs the additional revenues which would be generated by passage of CSHB 124.

EFFECTIVE DATE

The increases in license fees will not take effect until January 1, 1991.

Sport Fishing Institute
1990 License Survey

Resident License Fees - Sport Fish

Alabama	\$ 9.50	Nebraska	\$ 11.50
Alaska	10.00	Nevada	15.50
Arizona	9.50	* New Hampshire	17.25
Arkansas	10.50	New Jersey	12.25
* California	20.50	New Mexico	8.50
* Colorado	15.00	New York	9.50
Connecticut	9.00	North Carolina	15.00
Delaware	9.00	North Dakota	9.00
* Florida	12.00	* Ohio	12.00
Georgia	7.50	Oklahoma	10.25
Idaho	11.00	* Oregon	14.00
Illinois	7.50	Pennsylvania	12.00
Indiana	8.75	Rhode Island	9.50
Iowa	8.50	South Carolina	10.00
Kansas	13.00	South Dakota	5.00
Kentucky	8.50	* Tennessee	15.50
Louisiana	5.50	Texas	8.00
Maine	16.00	Utah	18.00
Maryland	8.00	Vermont	10.00
Massachusetts	12.50	Virginia	12.00
Michigan	9.85	Washington	14.00
Minnesota	12.00	West Virginia	11.00
Mississippi	4.00	Wisconsin	9.10
* Missouri	8.00	Wyoming	7.50
Montana	11.00		

* denotes state has raised resident fee since 1989.

In addition to the basic resident fee, many states require additional stamps or fees, adding from \$5 to \$15 to the license. For example, while the resident fishing license fee for the state of Washington is \$14, in addition a sport fisherman could buy a steelhead permit (\$15), a salmon fishing stamp (\$3), a clam license (\$2.50), and also pay an "issuance fee" of \$1. Thus, an angler's total cost to participate in these fisheries would be \$35.50, as opposed to the proposed \$15 in Alaska.

Senate Resources
Letter of Intent
4/30/90
Section 23, CSHB 124 (Rules)

It is the intent of the legislature to amend AS 16.43.170(a) as set forth in Section 23 of CSHB 124 (Rules) in order to reiterate, emphasize, and clarify the original intent of the legislature in adopting the Limited Entry Act of 1973, AS 16.43.010--990.

Alaska's limited entry system is the product of years of effort by the State beginning in 1961. Two previous attempts by the legislature to establish the means to limit entry into Alaska's fisheries failed as the result of legal challenges.

The Alaska legislature persisted, however, because Alaska's salmon fisheries were experiencing a long and threatening decline, while the number of participants continued to increase substantially, which resulted in more and more fishing pressure on a diminishing resource. A limited entry system was the only means by which the State could control a critical variable in the management of its fishery resources: the number of fishermen participating in a given fishery.

Following action by the legislature, in 1972, Alaska voters approved an amendment to Article VIII, Section 15 of the Alaska Constitution, which authorized:

the State to limit entry into any fishery for purposes of resource conservation, to prevent economic distress among fishermen and those dependent upon them for a livelihood and to promote the efficient development of aquaculture in the State.

Building upon this constitutional foundation, in 1973, the Alaska legislature adopted the Limited Entry Act, which has resulted in the largest limited entry program of its kind in the United States. Limitation of entry into all twenty-six of Alaska's salmon fisheries followed shortly. During 1976, by referendum, the voters of Alaska again supported limited entry by a margin of almost two-to-one. Today, some forty-six of Alaska's fisheries are under limitation.

As a food source important to Alaskans and the world, Alaska's fisheries are without question one of its most important renewable resources. Alaska's fisheries employ a substantial segment of the State's population, and many remote communities rely upon commercial fishing as their primary economic base. Therefore, sound management of its fisheries is crucial to the

State of Alaska, and limited entry is an important part of the State's management system.

Extensive biological, economic, historic, and cultural data and analyses have been generated to aid the development, enactment, and review of entry limitation in Alaska. (A partial bibliography is set forth in Appendix A.) Thousands of hours of hearings throughout the State and before the legislature have informed the choices made in shaping Alaska's limited entry system. Alaska's courts have carefully scrutinized the program and developed a body of law governing limited entry in Alaska that is both extensive and unique. (A partial list of cases decided by the Alaska Supreme Court set forth in Appendix B.)

In addition to direction and support from the legislature and the courts, Alaska's limited entry program has functioned only through the continuing cooperation and support of the Governor of Alaska, the Alaska Departments of Fish and Game, Law, Revenue, Administration, Commerce, and Public Safety, together with that of private citizens, economists, lawyers, scientists, processors, and, particularly, fishermen.

Under AS 16.43.140, no commercial fisherman may operate fishing gear in a limited fishery without an entry permit. The Alaska Commercial Fisheries Entry Commission (CFEC) issues entry permits and administers the program. The entry permit is the critical element of the system and, to an Alaskan fisherman, an entry permit is a legally required tool of his trade. In establishing limited entry and considering the needs of the State and its citizens, the Alaska legislature gave careful consideration to the nature of an entry permit and the privileges that a permit would extend to its holder.

In enacting a limited entry system, if the legislature had been committed only to simplicity and economy, it could have authorized auctioning of a limited number of property rights to its fisheries. The legislature rejected this approach, because it would not have been consistent with the State's most important objectives in establishing a limited entry system.

The legislature recognized that, for the purpose of conservation, the State needed to retain control of its fishery resources. Looking ahead, the legislature wished to ensure that privileges extended through an entry permit could be revoked or modified as necessary and without compensation. Furthermore, to ensure compliance with laws and regulations governing its fisheries, privileges extended must be conditioned upon compliance with those requirements. At the same time, the legislature believed that, in view of the substantial reliance on their fisheries by fishermen and those dependent upon them, privileges should be extended only to qualified, individual fishermen who could demonstrate their dependence.

While recognizing the importance of limiting and controlling fishing privileges, the legislature also intended to provide individual fishermen with a sufficient stake in their fisheries that they would be more likely to have a personal commitment to conservation and enhancement of those fisheries. In recognition of the fact that fishermen, their families, and, in many cases, entire communities, depended upon access to their fisheries for their basic welfare, the legislature believed that any privileges extended should be protected from forced and intemperate transfers. At the same time, because, necessarily, only a limited number of privileges would be extended, the legislature wished to ensure that the State would be reasonably compensated by regular permit fees. Finally, the legislature wished to restrain the unnecessary growth of State bureaucracy.

Among other considerations, the resulting Limited Entry Act and its implementation by CFEC have defined and regulated entry permits in a manner designed to reach these legislative objectives.

The legislature declared that an entry permit and the privileges it carried would not be the property of its holder. AS 16.43.150(e) provides that an entry permit is merely:

a use privilege which may be modified or revoked by the legislature without compensation.

An entry permit must be renewed annually, and is subject to forfeiture if not renewed for two years. The holder must pay an annual renewal fee established by CFEC based upon "the different rates of economic return for different fisheries." AS 16.43.160(b).

The legislature required CFEC to issue permits only to fishermen applicants who needed the permits the most. Only an individual, and not a vessel nor an organization of any kind, may receive an entry permit.

Under AS 16.43.250, CFEC ranks applicants for entry permits for a particular fishery "according to the degree of hardship which they would suffer" by not receiving a permit from the State. AS 16.43.250 provides the following standards for measuring hardship:

(1) degree of economic dependence upon the fishery, including, when reasonable for the fishery, the percentage of income derived from the fishery, reliance on alternative occupations, availability of alternative occupations, investment in vessels and gear;

(2) extent of past participation in the fishery, including, when reasonable for the fishery, the number of years of participation in the fishery, and the consistency of participation during each year.

From the statute, and further derived from extensive biological, economic, and other data, CFEC has developed a series of intricate point systems for the purpose of ranking the degree of hardship individual denied applicants would suffer. 20 AAC 05.600--20 AAC 05.742. Each applicant who would suffer significant hardship by denial is entitled to a permit, even if the maximum number of permits for a given fishery would be exceeded thereby. AS 16.43.270(a). To support the State's conservation goals and to recognize some historic and cultural fishing patterns, the system has never rewarded nor encouraged high individual production.

Although permits do not constitute property belonging to their holders, the legislature, subject to control and approval by CFEC, authorized holders to transfer their permits. Doing so advanced several of the State's objectives. Among other considerations, by not interrupting a holder's use of his entry permit and further authorizing the fisherman to transfer his permit, the fisherman and those dependent upon him held the means to continue their access to the fishery and their livelihood. Additionally, by not cutting off the fisherman's interest (as would have been the case through a lottery or reversion and reissue system) the holder was granted a sufficiently long-term privilege in the fishery so as to be encouraged to both conserve and enhance the fishery resource. Finally, by not requiring the State to select who would be a subsequent recipient of the privilege, the legislature avoided generating an additional and unnecessary State bureaucracy.

Consistent with its grant of only a privilege, the State through CFEC, retained control over all transfers. A permit holder may transfer his permit only upon approval by CFEC. AS 16.43.170. To ensure against intemperate transfers, the legislature requires a 60-day waiting period before a permit may be transferred. A fisherman may revoke an agreement to transfer any time during this 60-day period. A number of legal requirements must be satisfied before CFEC will approve a transfer. AS 16.43.170; 20 AAC 05.710.

Generally, AS 16.43.150(g) prohibits involuntary transfer requiring that an entry permit may not be "attached, distrained, or sold on execution of judgement or under any other process or order of any court." Additionally, a fisherman may not pledge his entry permit as security for a debt. (The legislature recognized that the absence of a property right might impair a

fisherman's ability to obtain financing for the purchase of a permit and his fishing operation, and, therefore, established two State authorized loan programs. AS 16.10.333-16.10.377; 44.81.271; and 44.81.230-44.81.250.) Just as a fisherman could not, contrary to State law, create a security interest in his fishing privilege, neither can a creditor.

The legislature recognized that a fisherman's earnings were seasonal and subject to many variables from year-to-year beyond control (for example, weather, predation, and interception). If creditors with short term objectives were allowed to treat an entry permit as a fungible item of property and to seize and force its sale, a fisherman without other means of earning a living, together with those dependent upon him, could well be left destitute. In Alaska, where many communities in remote areas of the State depend upon commercial fishing as the primary basis for their cash economy, this is a very real possibility. [The legislature notes that the Social Security Administration has acknowledged the wisdom of Alaska's approach by recognizing that an entry permit is essential to self-support, and, therefore, by not considering the market value of a permit as an alternative resource in determining an individual's eligibility for Supplemental Security Income benefits. 50 Fed. Reg. 42683, 42685 (1985).]

Although the State of Alaska could not countenance a system that inexorably would sever fishermen from the source of their livelihood, nonetheless, as a privilege, the legislature has made clear that an entry permit is subject to forfeiture, if its holder fails to abide by the applicable laws. See, for example, AS 16.05.480; 16.05.665; 16.05.710; 16.43.960; 16.43.970. Ultimately, because it has granted to fishermen only a revocable privilege, the State retains the dominion and control necessary to protect and manage its fishery resources.

In conclusion, compelling State interests were served, when the legislature rejected the idea that an entry permit represent a property right belonging to the permit holder. Instead, the legislature chose to establish an entry permit as a mere privilege, subject to State control, and revocable at the will of the State without compensation. In order to reemphasize and to clarify its intent, the legislature amends AS 16.43.170(a) as set forth in Section 23 of CSHB 124 (Rules).

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IVE COWPER
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 27, 1989

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

Dear Mr. Speaker:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to sport fishing and hunting licenses. This bill would raise the cost of a resident sport fishing license by \$5. Making a new distinction, the cost of a resident hunting license would be raised \$3 for small game, and \$13 for big game. The combination hunting and trapping license fee would be raised by \$13. The cost of two other combination licenses covering both sport fishing and hunting would be raised by \$18.

The bill would also raise nonresident sport fishing and hunting license fees by amounts ranging from \$5 to \$39, establish a new nonresident small game hunting license and raise nonresident tag fees on 13 species of big game. Finally, the bill would establish new nonresident alien hunting licenses, with a fee of \$300, and establish nonresident alien big game tags for 14 species, at rates higher than the nonresident tag fees.

These increases would generate additional revenue to help offset the escalating costs of managing the State's fish and wildlife resources, and would provide for expansion of some existing programs. Present technology still requires labor-intensive activities to acquire the necessary data for proper, effective management, and operational costs of the Department of Fish and Game (ADF&G) are expected to rise in order to meet those demands.

Money received from the sale of state sport fishing and hunting licenses is deposited in the Fish and Game Fund, which was created at statehood and is described in AS 16.-05.100 and 16.05.110. As a dedicated fund, it is addressed

by the Alaska Constitution in art. IX, sec. 7:

The proceeds of any state tax or license shall not be dedicated to any special purpose, except as provided in section 15 of this article [the Permanent Fund] or when required by the federal government for state participation in federal programs. This provision shall not prohibit the continuance of any dedication for special purposes existing upon the date of ratification of this section by the people of Alaska.

(Emphasis added.) The Fish and Game Fund was created after the date of ratification of art. IX, sec. 7 of the Alaska Constitution. However, it is protected under the federal-government-requirement exemption. A federal regulation, 50 C.F.R. 80.2, adopted under the Pittman-Robertson Act, 16 U.S.C. 669 -- 777k, prohibits "diversion" of fees collected from the sale of fishing and hunting licenses to purposes other than administering the State's fish and wildlife agency. This is a precondition to participation in federal fish and game grant programs. Since the federal law provides matching money for revenue from the sale of fishing and hunting licenses, and does not specify the cost of those licenses, no problem of inconsistency with the federal requirement and thus no problem with the constitutional provision on dedicated funds will be encountered if these license fees are raised. The fees for both types of resident licenses have been increased only once since statehood. In 1977, sport fishing license fees were increased from \$5 to \$10 and hunting license fees were increased from \$7 to \$12.

P.L. 98-369, July 18, 1984, expanded the Dingell-Johnson Act to make additional federal matching money available to the State. Some of this money will be earmarked for motor boating and support facilities, and additional State matching money will be required to optimize use of this three-for-one money for capital projects.

With respect to the proposed new license and tag fees for nonresident aliens, the significantly higher fees can be justified because United States citizens, as a class, bear a greater proportion of the costs of fish and game management through payment of federal taxes (including Pittman-Robertson matching grants) than do nonresident aliens, who for the most part do not make the same tax contributions. In addition, enforcement actions against nonresident alien hunters cost significantly more than enforcement actions against residents of the United States outside of Alaska.

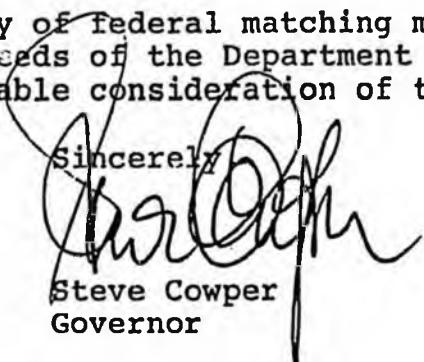
The Department of Law has advised that under the reasoning of Baldwin v. Fish and Game Comm., 436 U.S. 371 (1978), such fee differentials would be unlikely to pose equal protection problems under the Fourteenth Amendment to the United States Constitution, because the nonresident aliens are differently situated with respect to bearing both management and enforcement costs than are United States residents.

The higher fees for nonresident aliens will bring Alaska closer to other big game hunting areas of the world, which regularly charge much higher fees for individuals not resident in those countries. The proposed fees for nonresident aliens set out in this bill would thus still maintain Alaska's competitive edge, by being significantly less than fees charged by other countries to hunt similar species.

The bill has a delayed effective date of January 1, 1990, because hunting and fishing licenses are issued on a calendar-year basis.

In light of the availability of federal matching money, and the increasing management needs of the Department of Fish and Game, I urge your favorable consideration of this bill.

Sincerely,



Steve Cowper
Governor

FISCAL NOTE

REQUEST:

Revision Date: _____
 Title: "An Act relating to sport fishing
 and hunting licenses. . ."
 Sponsor: Rules
 Requestor: Governor

Agency Affected: Fish and Game
 BRU: Wildlife Conservation,
 Sport Fish. Administration
 Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING						
CAPITAL						
REVENUE	343.1	2236.2	2240.0	2240.0	2240.0	2240.0

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER Fish & Game	343.1	2236.2	2240.0	2240.0	2240.0	2240.0
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

No FY 90 impact.

Prepared by: Beverly Reaume
 Division: Administration
 Approved by Commissioner: *William W. Wiley*
 Agency: _____
 Phone: 465-4120
 Date: 5/2/90
 Date: 5/2/90

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

CSHB124
 * ASSUMPTIONS FOR LICENSE FEE FISCAL NOTE

5/2/90

RESIDENT	1989 ACTUALS %JAN-JUN		ANNUAL VALUE AT CURRENT FEE	ANNUAL VALUE AT INCREASED FEE	FY91 INCREASE (PARTIAL YEAR)	FY92 INCREASE
HUNT	23189	42.1%	278268	278268	0	0
HUNT/TRAP	1516	62.4%	33352	33352	0	0
TRAP	1032	52.6%	10320	10320	0	0
SF/HUNT/TRAP	6363	52.6%	203616	203616	0	0
SF/HUNT	43548	42.0%	958056	958056	0	0
FISH	115332	41.7%	1153320	1153320	0	0
FISH FARM	1	0	200	200	0	0
FUR DEALER	45	48.6%	4500	4500	0	0
TAXIDERMY	51	75.0%	7650	7650	0	0
GAME BIRD FARM	4	100.0%	80	80	0	0
DIP NET FISHING				155000	65100	155000
NONRESIDENT						
HUNT	8543	15.1%	512580	696155	27742	183575
HUNT/TRAP	35	15.1%	7000	10500	529	3500
FUR DEALER	1	0.0%	400	500	0	100
TAXIDERMY	4	66.7%	1600	2000	267	400
ALIEN HUNT	-	15.1%	-	90000	13590	90000
ALIEN TAGS	-	15.1%	-	162100	24477	162100
TAGS	-	16.4%	2936580	3490900	79822	554320
FISH	23338	23.7%	840168	1166900	77337	326732
FISH 14 DAY	63760	7.8%	1275200	1912800	49458	637600
FISH 3 DAY	64143	9.5%	641430	721609	7605	80179
FISH 1 DAY	0	9.5%	0	160358	15209	160358
TOTALS			8864320	11218183	361135	2353863
LESS 5% VENDOR COMPENSATION RETAINED UPPOINT					(18056)	(117693)
DIVISION OF WILDLIFE CONSERVATION					139105	944295
SPORT FISH DIVISION					203973	1291875

* LOW INCOME LICENSES AND DUPLICATES WERE LEFT OUT OF THESE CALCULATIONS
 ASSUME THERE WILL BE 15500 DIP NET LICENSES SOLD