

S B

176

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

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

FISCAL NOTE(S) attached zero

fiscal impact

appropriation no FN attached

Gov. FN introduced w/ bill

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

William
...
Cecil Sturgis
...

Letter February 20 1989

Chairman signature and recommendation

Committee backup attached

permit is issued.

(c) In this section "qualified organization" means a nonprofit corporation established to promote fish and game law enforcement that complies with applicable laws governing activities under this section.

FISCAL NOTE

REQUEST:

Revision Date: 3/20/89 Agency Affected: Fish and Game
 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 CSSB 176 would result in no additional expenditures by the department. There is a potential, however, for adding considerable revenue to the Fish and Game Fund for subsequent appropriation to conservation programs.

Prepared by: Donald E. McKnight Phone: 465-4100
 Division: Wildlife Conservation Date: 3/21/89

Approved by Commissioner: Don W. Collinsworth Date: 3-21-89
 Agency: 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
Title: Big game harvest permits as prizes
Sponsor: Senator Frank
Requestor: Senate Resources

Agency Affected: Public Safety
BRU: Fish and Wildlife Protection
Component: _____

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-
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REVENUE	-0-	-0-	-0-	-0-	-0-	-0-
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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
Division: Fish and Wildlife Protection
Approved by Commissioner: Arthur English
Agency: Department of Public Safety

Phone: 789-2161
Date: 3/21/89
Date: 3/21/89

FISCAL NOTE

REQUEST:

Revision Date: _____ 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-
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REVENUE	-0-	-0-	-0-	-0-	-0-	-0-
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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.

JM
2/8/89 Prepared by: Lt. William Valentine
Division: Fish and Wildlife Protection

Phone: 789-2161
Date: 3/8/89

Approved by Commissioner: *B.A. English*
Agency: Department of Public Safety

Date: 3/8/89

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907 465-3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

March 9, 1989

SUBJECT: Dedication of proceeds of certain
fund-raising activities; SB 176

TO: Senator Bettye Fahrenkamp
Chair
Senate Resources Committee

FROM: George Utermohle *GU*
Legislative Counsel

This memorandum is in response to a query by Nancy Peterson of your staff, as to whether the proceeds of fund-raising activities proposed by SB 176 could be placed directly into the fish and game fund without violating the state constitutional prohibition against dedicated funds.

The short answer is no.

The Alaska constitution provides:

The proceeds of any state tax or license shall not be dedicated to any special purpose, except . . . 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. (Article IX, sec. 7)

For the purpose of the prohibition against dedicated funds "proceeds of any state tax or license" means any source of revenue including a tax, license, rental, sale, or royalty. State v. Alex, 646 P.2d 203, 210 (Alaska 1982); 1975 Alaska Op. Atty. Gen. No. 9. The only exceptions to the prohibition against dedicated funds are those dedicated funds existing at the time the constitution was ratified or those dedicated funds required for participation in a federal program or those dedicated funds created by amendment of the constitution such as the Permanent Fund. The fish and game

fund did not exist at the time the constitution was ratified, so it does not qualify under this exception. However the state is required as a condition of participation in certain federal programs for fish and wildlife restoration programs (Dingell-Johnson program and Pittman-Robertson program) to dedicate license fees from sport fishing, hunting, and trapping licenses to the state's sport fish and wildlife programs. Thus the fish and game fund is excepted from the prohibition against dedicated funds to the extent that the dedication is required to comply with the federal program (1959 Op. Atty. Gen. No. 14), however state revenues other than sport fish and wildlife license fees cannot be dedicated to the fish and game fund. State revenues other than the required license fees may be deposited into the fish and game fund to support fish and game activities, but they first must be appropriated to the fund by the legislature.

SB 176 establishes a system whereby certain qualified organizations may enter into agreements with the commissioner of fish and game to conduct fund-raising activities in which the prize or premium to be awarded is a big game harvest tag. The commissioner would issue the tag to the winner of the fund-raising activity. The qualified organization would be able to retain sufficient money from the proceeds of the activity to reimburse itself for the cost of administering the fund-raising activity plus 10 percent of the proceeds. The remainder of the proceeds was to be given to the commissioner under AS 16.05.050 for purposes determined by the qualified organization. Under the proposed CS SB 176 (Resources) the qualified organization must transmit the money to the commissioner for deposit into the general fund from which the legislature could appropriate the money to the fish and game fund.

The mechanism for conveying the money to the commissioner under SB 176, as introduced, probably would not be considered a dedicated fund because the procedure retains sufficient attributes of a gift so as not to be considered state revenue. Gifts of money to the state are not state revenues and may be used in the manner determined by the donor.

On the other hand the procedure proposed by the Resources CS requires that the money be transmitted to the commissioner without any discretion on the part of the qualified organization as to how it would be used. In this case the whole

Senator Bettye Fahrenkamp
Page 3
March 9, 1989

nature of the transaction is like payment of a license fee to conduct the fund-raising activity and the proceeds are state revenues. The proceeds cannot be placed directly into the fish and game fund because the proceeds of fund-raising activities are not covered by the requirements of the federal programs and thus are not exempt from the prohibition against dedicated funds.

The accepted procedure for achieving the net effect of a dedication of funds, albeit less direct, less certain, and more cumbersome, is to have the legislature appropriate the funds to the intended fund or account.

If I may be of further assistance, please advise.

GU:gc
WKG7/126

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: All Senate Members
FROM: Senator Steve Frank
RE: CSSB 176(Fin)
DATE: April 11, 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).



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SB176

1 IN THE SENATE

CS FOR SENATE BILL NO. 176 (Finance)
IN THE LEGISLATURE OF THE STATE OF ALASKA
SIXTEENTH LEGISLATURE - FIRST SESSION
A BILL

6 For an Act entitled: "An Act relating to auctions and raffles for bison
7 harvest permits; and providing for an effective
8 date."

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

10 * Section 1. AS 16.05 is amended by adding a new section to read:
11 Sec. 16.05.343. AUCTIONS AND RAFFLES FOR BISON HARVEST PERMITS.
12 (a) The department, subject to regulations adopted by the Board of
13 Game, may issue one bison harvest permit each year for a bison from
14 the Delta bison herd through a competitive auction or raffle. Not-
15 withstanding AS 36.30, the department may authorize a qualified orga-
16 nization to conduct the auction or raffle on behalf of the department.
17 If the auction or raffle is conducted by a qualified organization, the
18 organization may retain an amount from the gross proceeds of the
19 auction or raffle equal to the administrative cost of the auction or

Selection=>

PF1 PF2 PF3 PF4 PF5 PF6 PF7 PF8 PF9 PF10 PF11 PF12
HELP EXIT MENU PRINT BWD FWD FIRST LAST QUIT
BASIS Text for CSSB 176(FIN) Screen 2 of 2
SB 176 Printed Page 1

20 raffle plus an amount not to exceed 10 percent of the net proceeds.
21 All remaining proceeds from the auction or raffle of the bison harvest
22 permit whether conducted by the department or as otherwise authorized
23 by the department shall be deposited in the fish and game fund under
24 AS 16.05.100.

25 (b) The exercise of a privilege conferred by a bison harvest
26 permit issued under this section is subject to laws relating to the
27 time, place, and manner of taking bison from the Delta bison herd.

28 (c) In this section "qualified organization" means a nonprofit
29 corporation established to promote fish and game law enforcement that
30 complies with applicable laws governing activities under this section.

31 * Sec. 2. This Act takes effect immediately under AS 01.10.070(c).

Selection=>

PF1 PF2 PF3 PF4 PF5 PF6 PF7 PF8 PF9 PF10 PF11 PF12
HELP EXIT MENU PRINT BWD FWD FIRST LAST QUIT

Senate Finance CS changed the
title from lotteries to raffles
and limited the species to "bison"
at the suggestion of AOC.

Sen Frank agreed with those changes

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465 3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

March 21, 1989

SUBJECT: Technical, nonsubstantive amendments
to existing statutes contained in SB 176

TO: Senator Steve Frank

FROM: George Utermohle *GU*
Legislative Counsel

As per your request this memorandum reviews the technical, nonsubstantive amendments to existing statutes contained in SB 176, An Act relating to auctions and lotteries for big game harvest permits.

Section 2 of the bill amends AS 16.05.255(a) by adding a new paragraph to give the Board of Game the authority to allocate big game harvest permits for issuance by competitive lotteries and raffles.

In addition to the substantive amendment to AS 16.05.255(a), the bill also contains technical amendments to the existing text of the subsection as part of a continuous effort to improve the statutes in order to make the drafting style of the subsection consistent with other statutes and the Manual of Legislative Drafting. In particular, commas are inserted before the "and" in the series of items listed in paragraphs (1), (3), (5), (7), and (9) of the subsection and the word "under" is substituted for the archaic phrase "in accordance with" in the beginning of the subsection. These changes to AS 16.05.255(a) are not substantive and do not change the legal effect of the statute. The effect of each amendment was considered before it was included in a bill. If a change in punctuation would alter the meaning of the existing law, the change would not be made because any such change of law would be outside of the sponsor's bill request and outside of the title of the bill.

Senator Steve Frank
Page 2
March 21, 1989

If a further explanation of the technical, nonsubstantive changes contained in the bill is necessary, please contact me.

~~cc: Senator Bettye Fahrenkamp
Chair, Senate Resources Committee~~

GU:gc
WKG8/050

6-0539E
Utermohle
3/8/89

Original sponsor: Frank

1 IN THE SENATE

BY THE RESOURCES COMMITTEE

2 CS FOR SENATE BILL NO. 176 (Resources)

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 law enforcement purposes
9 conducted by qualified nonprofit organizations."

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

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

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

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

19 (b) A qualified organization that enters into an agreement with
20 the commissicner under (a) of this section may retain from the pro-
21 ceeds of the fund-raising activity an amount equal to the administra-
22 tive cost of the fund-raising activity plus an amount not to exceed 10
23 percent of the proceeds. The qualified organization shall remit the
24 remaining balance of the proceeds to the commissioner for deposit into
25 the general fund. The legislature may appropriate the amount de-
26 posited under this subsection to the fish and game fund under AS 16.-
27 05.100.

28 (c) The exercise of a privilege conferred by a big game harvest
29 permit issued under this section is subject to regulations relating to

1 the time, place, and manner of taking the species for which the permit
2 is issued.

3 (d) In this section "qualified organization" means a nonprofit
4 corporation that complies with applicable laws governing fund-raising
5 activities of nonprofit organizations.

6 * Sec. 2. AS 16.05.255(a) is amended to read:

7 (a) The Board of Game may adopt regulations it considers advis-
8 able under [IN ACCORDANCE WITH] the Administrative Procedure Act
9 (AS 44.62) for

10 (1) setting apart game reserve areas, refuges, and sanctu-
11 aries in the water or on the land of the state over which it has
12 jurisdiction, subject to the approval of the legislature;

13 (2) establishing open and closed seasons and areas for the
14 taking of game;

15 (3) establishing the means and methods employed in the
16 pursuit, capture, and transport of game;

17 (4) setting quotas, bag limits, harvest levels, and sex,
18 age, and size limitations on the taking of game;

19 (5) classifying game as game birds, song birds, big game
20 animals, fur bearing animals, predators, or other categories;

21 (6) methods, means, and harvest levels necessary to control
22 predation and competition among game in the state;

23 (7) watershed and habitat improvement, and management,
24 conservation, protection, use, disposal, propagation, and stocking of
25 game;

26 (8) prohibiting the live capture, possession, transport, or
27 release of native or exotic game or their eggs;

28 (9) establishing the times and dates during which the
29 issuance of game licenses, permits, and registrations and the transfer

1 of permits and registrations between registration areas and game
2 management units or subunits is allowed;

3 (10) regulating sport hunting and subsistence hunting as
4 needed for the conservation, development, and utilization of game;

5 (11) annually allocating big game harvest permits for dis-
6 tribution by the commissioner under AS 16.05.058.

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6-0539H
Utermohle
3/16/89

Original sponsor: Frank

1 IN THE SENATE

2 CS FOR 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 auctions and lotteries for big
7 game harvest permits."

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

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

10 Sec. 16.05.343. AUCTIONS AND LOTTERIES FOR BIG GAME HARVEST
11 PERMITS. (a) The department, subject to regulations adopted by the
12 Board of Game, may issue big game harvest permits through a competi-
13 tive auction or lottery. A qualified organization may be authorized
14 by the department to conduct the auction or lottery on behalf of the
15 department. If the auction or lottery is conducted by a qualified
16 organization, the organization may retain an amount from the gross
17 proceeds of the auction or lottery equal to the administrative cost of
18 the auction or lottery plus an amount not to exceed 10 percent of the
19 net proceeds. All remaining proceeds from the auction or lottery of a
20 big game harvest permit whether conducted by the department or as
21 otherwise authorized by the department shall be deposited in the fish
22 and game fund under AS 16.05.100.

23 (b) The exercise of a privilege conferred by a big game harvest
24 permit issued under this section is subject to laws relating to the
25 time, place, and manner of taking the species for which the harvest
26 permit is issued.

27 (c) In this section "qualified organization" means a nonprofit
28 corporation established to promote fish and game law enforcement that
29 complies with applicable laws governing activities under this section.

1 * Sec. 2. AS 16.05.255(a) is amended to read:

2 (a) The Board of Game may adopt regulations it considers advis-
3 able under [IN ACCORDANCE WITH] the Administrative Procedure Act
4 (AS 44.62) for

5 (1) setting apart game reserve areas, refuges, and sanctu-
6 aries in the water or on the land of the state over which it has
7 jurisdiction, subject to the approval of the legislature;

8 (2) establishing open and closed seasons and areas for the
9 taking of game;

10 (3) establishing the means and methods employed in the
11 pursuit, capture, and transport of game;

12 (4) setting quotas, bag limits, harvest levels, and sex,
13 age, and size limitations on the taking of game;

14 (5) classifying game as game birds, song birds, big game
15 animals, fur bearing animals, predators, or other categories;

16 (6) methods, means, and harvest levels necessary to control
17 predation and competition among game in the state;

18 (7) watershed and habitat improvement, and management,
19 conservation, protection, use, disposal, propagation, and stocking of
20 game;

21 (8) prohibiting the live capture, possession, transport, or
22 release of native or exotic game or their eggs;

23 (9) establishing the times and dates during which the
24 issuance of game licenses, permits, and registrations and the transfer
25 of permits and registrations between registration areas and game
26 management units or subunits is allowed;

27 (10) regulating sport hunting and subsistence hunting as
28 needed for the conservation, development, and utilization of game;

29 (11) annually allocating big game harvest permits for

1 issuance through a competitive auction or lottery by the department
2 under AS 16.05.343.
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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

gation as the commissioner may deem advisable. (Eff. 9/7/60, Register 2)

Authority: AS 05.15.060
AS 05.15.130

15 AAC 105.210. PERSON IN CHARGE OF ACTIVITIES. An organization applying for a permit shall designate on the original application a bona fide and active member to be responsible for the conduct of the activities on each occasion of holding a game of chance and skill. That member shall be responsible for maintaining all records required under this chapter. The member in charge shall be present during the conduct of each of the specific activities stated on the permit. An alternate member may be designated to conduct the authorized activities during the absence of the member in charge. (Eff. 9/7/60, Register 2; am 11/6/76, Register 60)

Authority: AS 05.15.060
AS 05.15.130

15 AAC 105.220. NET PROCEEDS. (a) "Net proceeds" means the gross income from the sale of tickets or rights (including advance sales) to participate in an authorized activity, less the cost of prizes and authorized expenses as defined in (b) of this section.

(b) Authorized expenses are charges, fees and deductions which are reasonable and necessary to the operation of the activity as stated on the permit. Authorized expenses include payment for

- (1) equipment actually purchased for games;
- (2) printing of tickets or cards;
- (3) advertising for games;
- (4) nonalcoholic refreshments for games;
- (5) hall rentals, but only if the building is not owned by the permittee and only for the time actually used for operation of the games;
- (6) utility, repair and maintenance, and depreciation costs of a building owned by the permittee; these costs are allowable on a prorated basis for the actual hours used for the games in accordance with (c) of this section;
- (7) repairs for damages to equipment used for the games;
- (8) wages paid to workers operating the games, which may include members of the organization; these wages shall be paid only for the number of hours the games are actually being conducted and may not exceed one dollar per hour over the state minimum hourly wage;
- (9) postage, freight or accounting actually necessary for the games;
- (10) miscellaneous expenses directly pertaining to games only.

(c) The proration of building expenses shall be computed using a maximum use factor of 14 hours per day. For example, a bingo game is conducted two days a week at five hours per day for a total of 10 hours a week. Since there are 98 use hours in a week (14 use hours per day times seven days per week equals 98 use hours per week), 10.20 percent (10 hours per week divided by 98 hours per week equals 10.20 percent) of the prorable expenses for the week may be included in the authorized expenses. For depreciation purposes, the life of the building must be the guideline life provided in the Internal Revenue Code and the only approved method of depreciation is straight line.

(d) Unauthorized expenses are those not directly related to the operation of the games and they cannot be deducted. Unauthorized expenses include, but are not limited to, payment for

- (1) expenses on buildings except as provided in (b) of this section on a pro-rata basis;
- (2) mortgage or interest payments;
- (3) purchase of furniture, fixtures or equipment, except those necessary for the operation of the games and used exclusively for the games;
- (4) payments to members as gifts, excluding authorized prizes;
- (5) travel or per-diem expenses outside the state under any circumstances;
- (6) organization membership fees to national or international, affiliated or unaffiliated, organizations;
- (7) personal or organizational vehicle expenses;
- (8) consultant fees paid to a member or paid for a member's benefit;
- (9) legal fees paid to a member for services or paid for a member's benefit;
- (10) organizational advertising or notices;
- (11) organizational entertainment (picnics, dinners, parties, etc.);
- (12) organizational accounting or other operating expenses except those directly related to the operation of the games;
- (13) taxes on real or personal property and taxes based on net income;
- (14) purchase of alcoholic beverages.

(Eff. 9/7/60, Register 2; am 11/6/76, Register 60)

Authority: AS 05.15.060
AS 05.15.159

15 AAC 105.230. ANNUAL FINANCIAL STATEMENT. A statement accounting for all money generated from authorized games of chance and skill for the year must be filed by January 31 following the end of the calendar year. The permittee shall also file with the financial statement a copy of the Internal Revenue Service Form 1099

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: Senator Bettye Fahrenkamp, Chair
Senate Resources Committee

FROM: Senator Steve Frank

RE: Senate Bill 176 - big game harvest permits as
prizes or premiums

DATE: February 23, 1989

I would like to request that you schedule a hearing in Senate Resources on Senate Bill 176, which I have sponsored, at your earliest convenience.

The bill is entitled, "An act relating to the 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."

Thank you for your consideration.

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: Senate Resources Committee
FROM: Senator Steve Frank
RE: Senate Bill 176 - big game harvest permits as prizes or premiums
DATE: February 28, 1989

SB 176 gives the Department of Fish and Game the authority to enter into agreements with any non profit corporation established to promote fish and game conservation or fish and game law enforcement for the purpose of distributing a big game harvest permit through a raffle, auction, or other fund raising activity. Nearly all of the money raised would go to the department under AS 16.05.050 (4) for the protection, rehabilitation, propagation, and preservation of fish and game resources.

The number of permits and the species of big game for harvest would be determined by the Board of Game. The department has indicated that very few permits, usually one and probably no more than three or four, would be allocated annually under this proposal.

Currently a person can buy one chance on a harvest permit for each designated permit hunt under the Department of Fish and Game's drawing system, and all entrants for each permit hunt have an equal chance of being drawn.

Under SB 176, a person could purchase more than one chance on a harvest permit, thus allowing that individual to increase his or her odds of winning.

From the net proceeds of the fund raising activity, the organization is required to give at least 90% to the Department, and may give the full 100% if they so choose.

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 SB 176.

SB176

STATE OF ALASKA
THE LEGISLATURE

POUCH Y STATE CAPITOL
JUNEAU, ALASKA 99811
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

February 21, 1989

SUBJECT: Sectional summary of SB 176; An Act relating to the 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

TO: Senator Steve Frank

FROM: George Utermohle *GU*
Legislative Counsel

This memorandum is a sectional summary of SB 176 requested by Teresa Sager of your staff.

Please note that a summary of a bill should not be considered an authoritative interpretation of the bill. The bill itself is the best statement of its contents.

Section 1 of the bill adds a new section to AS 16.05 that authorizes the use of big game harvest permits as prizes and permits.

The commissioner of fish and game is authorized to make annual agreements with qualified organizations to issue a big game harvest permit to a person who wins the right to the permit through an auction, lottery, or other fund-raising procedure conducted by the organization. The permit is issued to the winner without charge. The agreements entered into by the commissioner and the issuance of permits are subject to regulations adopted by the Board of Game.

A qualified organization that has entered into the agreement with the commissioner is allowed to recover the cost that it incurred in conducting the fund-raising activity and to retain for its own purposes an amount equal to 10 percent of the proceeds of the fund-raising activities. The amount of proceeds that the organization does not retain must be given to the commissioner under AS 16.05.050(4) for protection,

Senator Steve Frank

Page 2

February 21, 1989

rehabilitation, propagation, preservation, or investigation of the fish and game resources of the state. The organization may determine the specific purpose for which the money is to be spent.

The person who wins the big game harvest permit must abide by all regulations governing the time, place, and manner in which the game animal for which the permit is issued may be taken.

A qualified organization must be established to promote fish and game conservation or fish and game law enforcement. A qualified organization is defined as a nonprofit corporation that complies with the laws governing fund-raising activities of nonprofit organizations. The conduct of raffles and lotteries by nonprofit organizations are subject to the statutes regulating charitable games of chance under AS 05.15.

Section 2 of the bill amends AS 16.05.255(a) by adding a new paragraph that gives the Board of Game the authority to annually allocate big game harvest permits for distribution by the commissioner of fish and game to persons who win the right to a permit in a fund-raising activity conducted by a qualified organization approved by the commissioner.

GU:kb
wkk2/031



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

Alaska State Legislature

Senate Resources Committee

Senator Bettye Fahrenkamp, Chairman

Senator Jay Kertula, Vice Chairman
Senator Dick Eliason
Senator Steve Frank
Senator Rick Halford
Senator Arliss Sturgulewski
Senator Fred Zharoff



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Letter of Intent
For
CS SB 176 (Res)

It is the intent of the Legislature that the amount of funds given to the Commissioner and deposited into the general fund under this legislation be appropriated by the Legislature into the Fish and Game Fund under AS 16.05.100 for wildlife conservation, protection and management.