

HEB

140

HFIN

FILE

HOUSE COMMITTEE REPORT

*(11)

Date Referred: March 26, 1993

FURTHER REFERRALS:

Date of Committee Action: 4/6/93

The FINANCE Committee considered:

HB 140

HOUSE BILL NO. 140

FEES FOR NONRESIDENT KING SALMON TAG

"An Act relating to the king salmon tag fee."

RECOMMENDATIONS:

be replaced with _____

CS HB 140 (FSH)

[] the same title

[] a new title

[] have attached amendments(s)

[] do pass

[] do not pass

[] no recommendations

[] individual recommendations

[] additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) _____

APPROVES PREVIOUS: (Dept/Date) _____

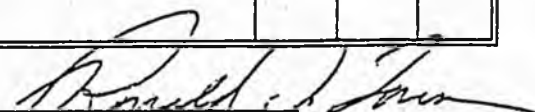
[] fiscal impact _____

[] fiscal note(s) F + G 3/12

[] zero fiscal note _____

[] zero fiscal note(s) _____

| SIGNING DO PASS | DP | OTHER RECOMMENDATIONS | DNP | NR | AM |
|----------------------------|----|-----------------------|-----|----|----|
| <i>Donald J. I...</i> | x | <i>Lenny Magnus</i> | | ✓ | |
| <i>Mark R...</i> | x | <i>Edie Kervick</i> | | x | |
| <i>Sam Parnell</i> | x | | | | |
| <i>Ben S...</i> | x | | | | |
| <i>Tom Brown</i> | ✓ | | | | |
| <i>Richard ...</i> | x | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |


 CHAIRMAN'S SIGNATURE

FISCAL NOTE

No. 1
 Bill Version: CSHB 140 (FSH)
 (H) Publish Date: 3/12/93

STATE OF ALASKA
 1993 LEGISLATIVE SESSION

Revision Date: _____ Department Affected: Fish and Game

Title: An Act relating to the king salmon tag fee. BRU: Sport Fish, Administration and Support

Component: Sport Fisheries, Administrative Services

Sponsor: Representative Hudson

Requestor: House Special Committee on Fisheries

COMPONENT SERIAL NO. 484-479

EXPENDITURES/REVENUES:

(Thousands of Dollars)

| OPERATING | FY 94 | FY 95 | FY 96 | FY 97 | FY 98 | FY 99 |
|-------------------|-------|-------|-------|-------|-------|-------|
| PERSONAL SERVICES | 1.4 | 1.4 | 1.4 | 1.4 | 1.4 | 1.4 |
| TRAVEL | | | | | | |
| CONTRACTUAL | 9.5 | 9.5 | 9.5 | 9.5 | 9.5 | 9.5 |
| SUPPLIES | | | | | | |
| EQUIPMENT | | | | | | |
| LAND & STRUCTURES | | | | | | |
| GRANTS, CLAIMS | | | | | | |
| MISCELLANEOUS | | | | | | |
| TOTAL OPERATING | 10.9 | 10.9 | 10.9 | 10.9 | 10.9 | 10.9 |

| | | | | | | |
|---------|-----|-----|-----|-----|-----|-----|
| CAPITAL | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
|---------|-----|-----|-----|-----|-----|-----|

| | | | | | | |
|--------------------------|------|------|------|------|------|------|
| REVENUE FUND SOURCE 1024 | 81.6 | 81.9 | 82.2 | 82.5 | 82.7 | 82.9 |
|--------------------------|------|------|------|------|------|------|

FINDING:

(Thousands of Dollars)

| | | | | | | |
|--------------------------|------|------|------|------|------|------|
| 1002 Federal Receipts | | | | | | |
| 1003 GF Match | | | | | | |
| 1004 GF | | | | | | |
| 1005 GF/Program Receipts | | | | | | |
| 1006 GF/MHTIA | | | | | | |
| Other, 1024 | 10.9 | 10.9 | 10.9 | 10.9 | 10.9 | 10.9 |
| TOTAL | 10.9 | 10.9 | 10.9 | 10.9 | 10.9 | 10.9 |

POSITIONS:

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

Estimate of current year (FY93) impact: \$ None

ANALYSIS: (Attach a separate page if necessary.)
 see attached

Prepared By: Rocky Holmes Phone: 465-6187

Division: Division of Sport Fish Date: 2/22/93

Approved by Commissioner: [Signature]

Agency: Department of Fish and Game Date: 2/22/93

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(Rev. 12/92)

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COMMITTEE COPY

SAB 140 (FSH)

NO. 1

pg 2 of 3

HB 140A (1-Day license increased to \$10)

Fiscal Note Analysis:

Expenditures included in this bill are for the additional cost of printing, distributing, and accounting for individually numbered nonresident king salmon tags. Tags will be individually numbered in order to prevent the possibility of illegal reuse of short term tags, and to facilitate accurate accounting of the number of tags sold by vendors. These costs include: \$1.4 in personal services for a non-permanent position (range 8) for 1 month to assist in mailouts of supplies and in data entry of stamps issued, sold, and returned (an estimated 120,000 tags will be sold in FY94); and 9.4 in contractual for the additional cost of printing individually numbered tags.

The enclosed table lists the assumptions used to estimate the effect of this bill on revenue. Part one of the table lists the predicted number of king salmon tags that will be sold by each class of nonresident license. Projected sales were estimated based on past increases in license sales, and it was assumed that 35% of all nonresident license holders would buy a king salmon tag. The second part of the table lists the projected king salmon tag revenue based on the current cost of a nonresident tag (\$20). The third part of the table lists the projected revenue based on the king salmon tag fees proposed in HB 140A. The net effect of the bill would be to increase revenue to the Fish and Game fund by about \$81.6 in FY94.

PREDICTED SALES OF KING SALMON TAGS

| | FY 94 | FY 95 | FY 96 | FY 97 | FY 98 | FY 99 |
|-----------------|--------|--------|--------|--------|--------|--------|
| H-R. ANNUAL SF | 6,827 | 6,857 | 6,881 | 6,900 | 6,918 | 6,932 |
| H-R. 14-DAY SF | 22,966 | 23,065 | 23,147 | 23,211 | 23,270 | 23,320 |
| H-R. 3-DAY SF | 16,027 | 16,097 | 16,153 | 16,198 | 16,240 | 16,274 |
| H-R. 1-DAY SF | 13,986 | 14,047 | 14,096 | 14,135 | 14,171 | 14,201 |
| H-R. SF/HUNT | 365 | 367 | 368 | 369 | 370 | 371 |
| H-R MILITARY SF | 2,237 | 2,247 | 2,255 | 2,261 | 2,267 | 2,272 |

STATUS QUO KING SALMON TAG COSTS

| | XS TAG | PREDICTED REVENUE | | | | | |
|-----------------|--------|-------------------|---------|---------|---------|---------|---------|
| | | FY 94 | FY 95 | FY 96 | FY 97 | FY 98 | FY 99 |
| COST | | | | | | | |
| H-R. ANNUAL SF | \$20 | 136,542 | 137,134 | 137,618 | 137,999 | 138,351 | 138,644 |
| H-R. 14-DAY SF | \$20 | 459,319 | 461,309 | 462,938 | 464,220 | 465,405 | 466,392 |
| H-R. 3-DAY SF | \$20 | 320,544 | 321,933 | 323,069 | 323,965 | 324,791 | 325,480 |
| H-R. 1-DAY SF | \$20 | 279,720 | 280,932 | 281,924 | 282,705 | 283,426 | 284,027 |
| H-R. SF/HUNT | \$20 | 7,308 | 7,340 | 7,366 | 7,386 | 7,405 | 7,421 |
| H-R MILITARY SF | \$20 | 44,744 | 44,938 | 45,096 | 45,221 | 45,337 | 45,433 |

TOTAL \$1,248,177 \$1,253,585 \$1,258,010 \$1,261,496 \$1,264,715 \$1,267,396

HB 140 - WITH THE COST OF A 1-DAY LICENSE INCREASED TO \$10

| | XS TAG | PREDICTED REVENUE | | | | | |
|-----------------|--------|-------------------|---------|---------|---------|---------|---------|
| | | FY 94 | FY 95 | FY 96 | FY 97 | FY 98 | FY 99 |
| COST | | | | | | | |
| H-R. ANNUAL SF | \$30 | 204,813 | 205,700 | 206,427 | 206,999 | 207,527 | 207,967 |
| H-R. 14-DAY SF | \$30 | 688,979 | 691,964 | 694,406 | 696,331 | 698,107 | 699,587 |
| H-R. 3-DAY SF | \$15 | 240,408 | 241,450 | 242,302 | 242,973 | 243,593 | 244,110 |
| H-R. 1-DAY SF | \$10 | 139,860 | 140,466 | 140,962 | 141,352 | 141,713 | 142,014 |
| H-R. SF/HUNT | \$30 | 10,962 | 11,009 | 11,048 | 11,079 | 11,107 | 11,131 |
| H-R MILITARY SF | \$20 | 44,744 | 44,938 | 45,096 | 45,221 | 45,337 | 45,433 |

TOTAL \$1,329,766 \$1,335,527 \$1,340,241 \$1,343,955 \$1,347,385 \$1,350,241

NET REVENUE \$81,589 \$81,942 \$82,231 \$82,459 \$82,670 \$82,845

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fs

CSHB140(FSH)

SECTIONAL ANALYSIS:

- SECTION 1: intent language was included to underscore the purpose of this legislation and the tag fee program. King salmon tag fees should be appropriated to support only king salmon sport fishing research, management, and enhancement projects.
- SECTION 2: amends current law by requiring residents to purchase a tag only for anadromous king salmon.
- SECTION 3: amends current law by:
- a. requiring nonresidents to purchase a tag only for anadromous king salmon;
 - b. establishes a graduated fee schedule for nonresidents (\$10, 15 & 30) based on validation period (1,3, & 14 day / annual period);
 - c. exempts nonresidents, under the age of 16, from tag requirement;
 - d. leaves in place a flat rate tag fee (\$20) for military personnel and dependents.
- SECTION 4: technical amendment, clarifying that the king salmon tag, similar to all other fishing licenses & tags, expires December 31 following issuance.
- SECTION 5: this act takes effect January 1, 1994.

AMENDMENTS TO HB140 IN HOUSE (FSH) COMMITTEE:

The amendments below were either proposed by the Department of Fish & Game (see Position Paper, dated 2/19/93) or by the House Special Committee on Fisheries. All were adopted, and are contained in CSHB140 (FSH):

1. adopted an effective date of January 1, 1994;
2. distinguish between "anadromous" and land-locked king salmon;
3. technical amendment- to leave king salmon tag fee at \$20 for military and dependents, this fee would have to be separated from nonresident annual fee rate (which is \$30. under this bill);
4. treat nonresident youths (under the age of 16) similar to resident youths by excluding both groups from the necessity of purchasing a tag;
5. established a \$10 fee (HB140 proposed \$5) for the nonresident 1 day tag.



Alaska State Legislature

REPRESENTATIVE BILL HUDSON

State Capitol
Juneau, Alaska
99801-1182
(907) 465-3744

COMMITTEES

CHAIR
Labor & Commerce
VICE CHAIR
Resources
MEMBER:
Transportation
Regulation Review
Economic Development
Task Force

SPONSOR STATEMENT

CSHB140(FSH) "An Act relating to the king salmon tag fee."

This bill was introduced to address concerns raised by individuals in out tourism/sport fish industry. In short, the current flat fee of \$20.00 (imposed on all nonresidents) is very likely to discourage sport fish participation among short-time tourists (those with a one to three day turnaround). A response of this nature is likely to have a very detrimental impact on our resident sport-guide businesses and local economies.

Fortunately, there is a very simple solution to this problem- institute a graduated fees schedule. CSHB140(FSH) would repeal the flat \$20.00 rate, while imposing a fee that increases (\$10, \$15 and \$30) with the validation period (one , three, 14 day or annual tag).

Furthermore, a graduated rate schedule not only addresses the adverse economic implications of a flat rate system, it also insures that fees are commensurate with resource impacts. The longer a nonresident participates in our fishery resource, the higher their fee will become.

The Department of Fish & Game has worked closely with the sponsor on this legislation, and supports its passage.

CSHB140(FSH) carries a positive fiscal note of \$70.6 in FY94 (81.6 additional revenues, less 10.9 in administrative costs).



DEPARTMENT OF FISH AND GAME
POSITION PAPER

Bill No: HB 140
Sponsor: Representative Hudson
Division: Sport Fish
Bill Title: "An act relating to the king salmon tag fee."
Department Position: Support

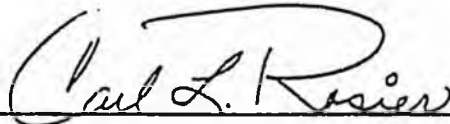
The King Salmon Tag is an important new user-pay funding source for the Department of Fish and Game. HB 140 would modify the fee structure for nonresident king salmon tags as well as provide legislative intent that the revenues be dedicated to king salmon sport fishing research, management, and enhancement projects. The department supports the legislative intent.

The effect of HB 140 on total revenue from sales of the tag is essentially neutral. However, there could be a shift on the pattern of sales between short-term and longer-term licenses.

The department strongly recommends that a new king salmon fee structure not go into effect until January 1, 1994. The \$20 nonresident stamps have already been distributed to the vendors and are on sale now. In addition, we believe that by the time the bill becomes law, an RFP for printing the new nonresident stamps is completed, and the new stamps are distributed to vendors, most of the 1993 fishing season for king salmon will have occurred. We believe that the cost and confusion that will result because of a 1993 effective date are not justifiable.

The department would also like the bill to be modified to require that the king salmon stamp be purchased only by people fishing for anadromous king salmon. This will exempt people who fish for pan-size king salmon in landlocked stocked lakes. We recommend this change because the landlocked lakes king salmon stocking program usually occurs in urban areas and is intended to benefit children and lower income fishermen, and because small king salmon in landlocked systems are difficult to distinguish from other salmon species.

Commissioner's Signature



Date: 2/19/93

(F&G submitted)

Potential Amendments To HB 140

- 1. Effective date January 1, 1994
- 2. Page 1, line 12 insert the word "anadromous" before king salmon.
- 3. *Sec. 3. AS 16.05.340(a)(23) is amended to read:
 - (23) Residnet king salmon \$10
 A residnet may not engage in sport fishing for anadromous king salmon without having a valid [THE CURRENT YEAR'S] king salmon tag in the resident's actual possession, unless that person
 - (A) qualifies for the 25 cent license fee under (1) of this subsection:
 - (B) etc
- 3. Page 1, line 12 add:
 - (D) nonresid~~net~~^{net} military king salmon tag . . \$20

Royal Cruise Line

TELEFAX

Royal Cruise Line
One Maritime Plaza #1400
San Francisco, California 94111
Phone (415) 988-7200
FAX (415) 988-1858

Fax # 667

To: Ketchikan Legislative Affairs Office 907-225-8546

From: Bruce Good RCL/BPO

PAGE 1 OF 1

Date: March 23, 1993

Subject: House Bill 140

To: Alaska House Resource Committee

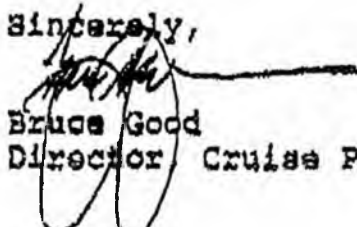
Dear Sirs:

As a cruise ship operator selling fishing excursions in Ketchikan during the summer tourist season, we urge the passage of this bill in support of the local fishing industry.

In our opinion the bill, if passed, would increase the appeal and sales of sportfishing tours, and also increase the sales of processed fish (being traded by visiting sportfishers) during the tourist season, thus providing a positive effect on both the sport and commercial fishing industry and the fish processing industry in your community.

We thank you for your anticipated support of this important bill when the opportunity arises.

Sincerely,


Bruce Good
Director Cruise Product

KETCHIKAN SPORTFISHING
P.O. BOX 3212, KETCHIKAN, AK 99901
(907) 225-7526 FAX 225-7525, 1-800-488-8254

FAX TRANSMISSION

March 24, 1993

page 1

TO: HOUSE RESOURCE COMMITTEE

FROM: MARGE HANGER, OWNE... KETCHIKAN SPORTFISHING

SUBJECT: HOUSE BILL NO. 140, AN ACT RELATING TO THE KING
SALMON TAG FEE.

NUMBER OF PAGE INCLUDING THIS ONE: 2

MESSAGE: AS FOLLOWS

To Whom it May Concern:

Ketchikan Sportfishing supports House Bill No. 140 to reduce the King salmon tag fee for non residents fishing for a limited time.

In 1992 the State of Alaska sold 205,941 non resident sport fishing licenses. 48,221 were sold as one day non resident licenses. 51,257 were sold as three day non resident licenses. The number of one and three day non resident licenses combined almost total 100,00 licenses. Almost half of the State of Alaska non resident sportfishing licenses sold were for three days or less.

The majority of tourists who come to Southeast Alaska are Cruise Ship passengers who spend less than a day in each port and less than two weeks total in Alaska. To charge these and other tourists the same fee to fish for King salmon for one or two days that is being charged to non residents to fish for King salmon the entire season is unfair.

We are not against fishery enhancement, we believe that enhancement has already improved fisheries in our area as well as other areas. We strongly feel that all who partake of the harvest should accept the responsibility that comes with the privilege. We must protect, enhance and maintain our public resource. Those who harvest the most should take greater responsibility than those who harvest the least.

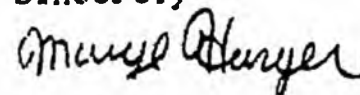
page 2

Last year Ketchikan Sportfishing alone sent over seven thousand Cruise Ship passengers fishing for one day. Many of those people did not catch a King salmon. On a four hour charter one in four persons will return to shore with a King salmon during peak season.

We strongly feel that a \$20.00 flat fee for retention tags will drastically reduce our sales during King season which is half of our operating season. It is unfair and unconstitutional to demand that those who harvest the least pay the most simply because they represent greater numbers and therefore greater revenues.

We do not wish to give the impression that because of our limited population base and lower tax revenues that we are making an Alaskan habit of taxing, regulating and MILKING our tourist. Milk cows eventually dry up especially when over milked. The State of Alaska fishery resource does not solely belong to Alaskan residents it belongs to all Americans everywhere. We hope that all concerned will be treated equally and receive equal privileges as well as assuming equal and fair responsibility in harvesting a public resource.

Sincerely



Marge Hanger

Owner