

SB

146

HFIN

FILE

(11)

HOUSE COMMITTEE REPORT

Date Referred to Committee: May 4, 1999

FURTHER REFERRALS:

Date of Committee Action: 5/6/99

The FINANCE Committee considered:

CSSB 146(FIN) am

CS FOR SENATE BILL NO. 146(FIN) am

COM. FISH LICENSE/FISHERMEN'S FUND

"An Act relating to the amount and disposition of the commercial fishing license fee and to the fishermen's fund; and providing for an effective date."

recommends it be replaced with the following committee substitute ACS CS SB 146 (FIN) the same title a new title

additional referral to _____ Committee

attached amendment(s)

ADOPTS: _____ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept)

APPROVES PREVIOUS: (Dept/Date)

fiscal note(s) labin
fish: game

fiscal note(s) _____

zero fiscal note(s) _____

zero fiscal note(s) _____

SIGNING WITH RECOMMENDATIONS	DP	DNP	NR	AM
<u>Tom Therniault</u>	X			
<u>John Bunde</u>	X			
<u>John Bunde</u>			✓	
<u>John Bunde</u>				X
<u>John Bunde</u>	X			
<u>J. Davies</u>			X	
<u>Grissinger</u>			X	
<u>Missis</u>			X	
<u>G. Davis</u>			X	
<u>Williams</u>		X		
<u>Foster</u>			X	

CHAIR'S SIGNATURE

Tom Therniault John Bunde

THERNIAULT BUNDE

FISCAL NOTE

STATE OF ALASKA
1999 LEGISLATIVE SESSION

BILL NO. HCS CSSB 146(FIN)

Revision Date/Time (Note if correction) 5/7/99 Dept. Affected Fish and Game
 Title Amount and Disposition of Commercial Fishing BRU Administration
 License Fee _____ Component Administration
 Sponsor Senate Finance Committee
 Requester House Finance Committee Component Serial No. 479

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous - Vendor Commission						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES (1024)	209.0	710.9	710.9	710.9	710.9	710.9
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts	(105.1)	(105.1)	(105.1)	(105.1)	(105.1)	(105.1)
1037 GF/Mental Health						
Other 1024 Fish & Game Fund	105.1	105.1	105.1	105.1	105.1	105.1
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY99) cost: _____

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Assumption: The number of licenses sold annually will remain constant and approximately the same number as sold during FY98 (25,273).

Fishermen's Fund: Currently receives 60% of crewmember license fees (\$844.9). During FY2000, a \$6.2 decrease, and during FY2001 and thereafter, a \$3.1 increase is projected as a result of this bill.

General Fund: Currently receives 40% of the crewmember license fees (\$563.4) and pays for vendor commission (\$210.4). Starting in FY2000, this portion of the license fees will be allocated to the F&G fund. The \$105.1 allocated in Administration's budget for administering the licensing program will switch from GF/Program Receipts to Fish and Game funds in FY2000.

Vendor Commission: During FY2000, a \$1.2 increase and during FY01, a \$7.1 increase is anticipated.

Prepared by Kevin Brooks *Kevin Brooks* Phone 465-5999
 Division Director Date/Time 5/7/99 9:55 AM
 Approved by Commissioner Frank Rue *Frank Rue* Date 5/7/99
 Agency Department of Fish and Game

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FISCAL NOTE

STATE OF ALASKA
1999 LEGISLATIVE SESSION

BILL NO. CSSB 146(FIN) AM

Revision Date/Time (Note if correction): _____
 Title: Com. Fish License/Fishermen's Fund

 Sponsor: Senate Finance
 Requester: Senate Rules

Department Affected: Labor
 BRU: Workers' Compensation
 Component: Fishermen's Fund

 COMPONENT SERIAL NO. 343

EXPENDITURES/REVENUES: (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS & CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL						
CHANGE IN REVENUE	2.6	12.6	12.6	12.6	12.6	12.6
FUND SOURCE #	1032	1032	1032	1032	1032	1032

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipt						
1006 GF/MHTIA						
Other (Specify Type)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY99) impact: \$ None

ANALYSIS: (Attach a separate page if necessary)

This bill provides for a change to the revenue formula for the Fishermen's Fund and affects the amount of money that is required under law to be deposited into the fund. The change results from a fee increase to both the resident and nonresident commercial fishing licenses and a reduction to the percentage of the receipts for each license category which will be designated for the Fishermen's Fund. This bill's impact will hold harmless the current revenue stream of the Fishermen's Fund with the potential of a slight revenue increase.

Revenue figures are projections only due to the unpredictability of the fishing industry and the level of participants in any given year.

Prepared by: Paul Grossi, Director Phone: 465-2790
 Division: Workers' Compensation Date/Time: 4/28/99 2:48 PM
 Approved by Commissioner: Ed Flanagan, Commissioner
 Agency: Department of Labor Date: 4/28/99

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CS FOR SENATE BILL NO. 146(FIN) am

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - FIRST SESSION

BY THE SENATE FINANCE COMMITTEE

Amended: 4/27/99

Offered: 4/22/99

Sponsor(s): SENATE FINANCE COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the amount and disposition of the commercial fishing license
2 fee and to the fishermen's fund; and providing for an effective date."

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

4 * **Section 1. LEGISLATIVE INTENT.** It is the intent of the legislature that nothing in this
5 Act either destroys a valid existing dedication of the proceeds of a state tax or license or
6 creates a new dedication of the proceeds of a state tax or license.

7 * **Sec. 2.** AS 16.05.470(a) is amended to read:

8 (a) A person appointed by the commissioner to sell licenses under
9 AS 16.05.440 - 16.05.480, except salaried employees of the state, shall retain the sum
10 of 10 [15] percent of the fee for the issuance of a license. An agent shall transmit
11 monthly to the commissioner all license fees collected by the agent, less the authorized
12 commission, together with a full accounting of the fees. The commissioner shall make
13 monthly remittances of the fees collected to the proper state official. The
14 commissioner is not liable for defalcation or failure to account for the fees collected

1 by an agent, but the commissioner shall require a bond in the sum the commissioner
2 considers adequate, conditioned upon the faithful accounting of money collected.

3 * Sec. 3. AS 16.05.480(a) is amended to read:

4 (a) A person engaged in commercial fishing shall obtain a commercial fishing
5 license. The fee for the license is \$60 [\$30] for residents [,] and \$125 [\$90] for
6 nonresidents. *There is a surcharge of \$3.0 for the residents lis. Fee etc* Except for those that [WHICH] are also entry or interim-use permits,
7 all commercial fishing licenses are nontransferable. The commercial fishing license
8 shall be retained in the possession of the licensee, readily accessible for inspection at
9 all times. No more than one fee may be charged annually against a person. For the
10 purposes of this section, "commercial fishing license" includes entry permits and
11 interim-use permits issued under AS 16.43 and crewmember fishing licenses.

12 * Sec. 4. AS 16.05.480 is amended by adding a new subsection to read:

13 (e) Except as provided under AS 16.05.470 and AS 23.35.060, fees collected *; surcharges*
14 from the sale of crewmember fishing licenses under this section may be appropriated
15 into the fish and game fund.

16 * Sec. 5. AS 23.35.060(a) is amended to read:

17 (a) There is created a fund, designated as the "fishermen's fund." The
18 Department of Revenue is the custodian of the fund and the Department of Labor shall
19 administer it. The fund shall be composed of 39 [60] percent of the money derived
20 by the state from all commercial fishermen's licenses and money appropriated to carry
21 out the purpose of this chapter.

22 * Sec. 6. This Act takes effect January 1, 2000.

Senators
Wilbur

5/6/99

1-LS0800\GA.1
Utermohle ✓
5/6/99

adopted - no change -
AMENDMENT I

OFFERED IN THE HOUSE
TO: CSSB 146(FIN) am

- 1 Page 2, line 5:
 - 2 Delete "The"
 - 3 Insert "Except as provided in (f) of this section, the [THE]"

 - 4 Page 2, line 12:
 - 5 Delete "a new subsection"
 - 6 Insert "new subsections"

 - 7 Page 2, following line 15:
 - 8 Insert a new subsection to read:
 - 9 "(f) A person engaged in commercial fishing who is less than 11 years of age
 - 10 shall pay a fee of \$5 for a crewmember fishing license."
- []
~~\$50~~

FISCAL NOTE

**STATE OF ALASKA
1999 LEGISLATIVE SESSION**

BILL NO. HCS CSSB 51 (L&C)

Revision Date/Time _____ Dept. Affected Commerce & Econ Dev.
 Title An Act relating to barbers, hairdressers, BRU Occupational Licensing
manicurists and cosmetologists. Component Operations
 Sponsor Senate Community and Regional Affairs Committee
 Requester House Finance Component Serial No. 2360

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Personal Services	8.5	8.5	8.5	8.5	8.5	8.5
Travel	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	9.9	9.9	9.9	9.9	9.9	9.9
Supplies	1.0	1.0	1.0	1.0	1.0	1.0
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	19.4	19.4	19.4	19.4	19.4	19.4

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()	19.4	19.4	19.4	19.4	19.4	19.4
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts	19.4	19.4	19.4	19.4	19.4	19.4
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	19.4	19.4	19.4	19.4	19.4	19.4

Estimate of any current year (FY99) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: *(Attach a separate page if necessary)*
 HCS CSSB 51 (L&C) establishes a licensing category for manicurists to be regulated by the Board of Barbers and Hairdressers. The number of individuals that would be affected by the bill is not known therefore, a number of assumptions are made in this fiscal note. Information obtained from the Business Licensing files indicate there are approximately 295 manicure/pedicure salons licensed to do business. For the purposes of this fiscal note, we have doubled the number (590) assuming that most salons would have more than one manicurist. An explanation of the costs is attached.

Prepared by Jennifer Strickler, Administrative Manager Phone 465-2144
 Division Occupational Licensing Date/Time 4/27/99 11:31 AM
 Approved by Commissioner Deborah B. Sedwick Date 4/27/99
 Agency Commerce & Economic Development

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FISCAL NOTE

STATE OF ALASKA
1999 LEGISLATIVE SESSION

BILL NO. HCS CSSB 51 (L&C)

ANALYSIS: (Continued)

DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT FISCAL NOTE CALCULATIONS FOR HCS CSSB 51 (L&C)

PERSONAL SERVICES

Funding to add 2.5 months of time to an existing PPT Occupational Licensing Examiner I position, Range 12, GGU \$8.5

The increase time to the existing position will be responsible for the Licensing of manicurists.

TRAVEL \$0.0

CONTRACTUAL SERVICES

Contractual Services are based on the following costs. \$9.9

Regulations: \$5.2

- One public notice printed in three newspapers, estimated at \$200 per paper x 3 = \$600
- Printing of regulations consisting of 6 pages, back-to-back, at \$12 per 100 x 6 pages = \$72 x 6 (to produce 600 copies) = \$432
- Postage for 600 pieces x .32 = \$192
- Printing and mailing costs to current licensees (3,838) of the New statute and regulation changes, \$4.0

Daily Communication costs: \$1.0

Printing Costs: \$0.7

Applications and other forms will be needed to implement the Licensing requirements. A large supply will be required for the Initial mailing and to have forms available in each division office. Assuming application forms are at least 3 pages, back-to-back, at \$12 per 100 x 3 pages = \$36 x 20 (to produce 2,000 copies) = \$720

HCS CSSB 51(L&C)

Enforcement costs:

\$3.0

This funding is anticipated to fund responsibilities of the Department of Environmental Conservation under Section 28 of the bill via RSA in adopting regulations for sanitary practices.

SUPPLIES

\$1.0

TOTAL:

\$19.4

REVENUE/FUND SOURCE:

AS 08.01.065 requires all licensees to pay the costs of regulating their profession. The general fund program receipts from the licensing of manicurists will be expected to cover the direct costs shown in this fiscal note and a share of administrative indirect costs like other licensing programs.

FISCAL NOTE

STATE OF ALASKA
1999 LEGISLATIVE SESSION

BILL NO. CSSB 146(FIN) AM

Revision Date/Time (Note if correction):
Title: Com. Fish License/Fishermen's Fund
Sponsor: Senate Finance
Requester: Senate Rules

Department Affected: Labor
BRU: Workers' Compensation
Component: Fishermen's Fund

COMPONENT SERIAL NO. 343

EXPENDITURES/REVENUES: (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS & CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL						
---------	--	--	--	--	--	--

CHANGE IN REVENUE	2.6	12.6	12.6	12.6	12.6	12.6
FUND SOURCE #	1032	1032	1032	1032	1032	1032

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipt						
1006 GF/MHTIA						
Other (Specify Type)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY99) impact: \$ None

ANALYSIS: (Attach a separate page if necessary)

This bill provides for a change to the revenue formula for the Fishermen's Fund and affects the amount of money that is required under law to be deposited into the fund. The change results from a fee increase to both the resident and nonresident commercial fishing licenses and a reduction to the percentage of the receipts for each license category which will be designated for the Fishermen's Fund. This bill's impact will hold harmless the current revenue stream of the Fishermen's Fund with the potential of a slight revenue increase.

Revenue figures are projections only due to the unpredictability of the fishing industry and the level of participants in any given year.

Prepared by: Paul Grossi, Director Phone: 465-2790
Division: Workers' Compensation Date/Time: 4/28/99 2:48 PM

Approved by Commissioner: Ed Flanagan, Commissioner
Agency: Department of Labor Date: 4/28/99

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FISCAL NOTE

STATE OF ALASKA
1999 LEGISLATIVE SESSION

BILL NO. CSSB 146(FIN) AM

Revision Date/Time (Note if correction): _____
 Title: Com. Fish License/Fishermen's Fund
 Sponsor: Senate Finance
 Requester: Senate Rules

Department Affected: Labor
 BRU: Workers' Compensation
 Component: Fishermen's Fund

COMPONENT SERIAL NO. 343

EXPENDITURES/REVENUES: (Thousands of Dollars)

Note: Amounts do not include inflation unless other wise noted below.

OPERATING	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS & CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL						
---------	--	--	--	--	--	--

CHANGE IN REVENUE	2.6	12.6	12.6	12.6	12.6	12.6
FUND SOURCE #	1032	1032	1032	1032	1032	1032

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipt						
1006 GF/MHTIA						
Other (Specify Type)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY99) impact: \$ None

ANALYSIS: (Attach a separate page if necessary)

This bill provides for a change to the revenue formula for the Fishermen's Fund and affects the amount of money that is required under law to be deposited into the fund. The change results from a fee increase to both the resident and nonresident commercial fishing licenses and a reduction to the percentage of the receipts for each license category which will be designated for the Fishermen's Fund. This bill's impact will hold harmless the current revenue stream of the Fisherman's Fund with the potential of a slight revenue increase.

Revenue figures are projections only due to the unpredictability of the fishing industry and the level of participants in any given year.

Prepared by: Paul Grossi, Director Phone: 465-2790
 Division: Workers' Compensation Date/Time: 4/28/99 2:48 PM

Approved by Commissioner: Ed Flanagan, Commissioner
 Agency: Department of Labor Date: 4/28/99

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FISCAL NOTE

STATE OF ALASKA
1999 LEGISLATIVE SESSION

BILL NO. CSSB 146(FIN) AM

Revision Date/Time (Note if correction):
 Title: Com. Fish License/Fishermen's Fund
 Sponsor: Senate Finance
 Requester: Senate Rules

Department Affected: Labor
 BRU: Workers' Compensation
 Component: Fishermen's Fund

COMPONENT SERIAL NO. 343

EXPENDITURES/REVENUES: (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2006
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS & CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL						
---------	--	--	--	--	--	--

CHANGE IN REVENUE	2.6	12.6	12.6	12.6	12.6	12.6
FUND SOURCE #	1032	1032	1032	1032	1032	1032

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipt						
1006 GF/MHTIA						
Other (Specify Type)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY99) impact: \$ None

ANALYSIS: (Attach a separate page if necessary)
 This bill provides for a change to the revenue formula for the Fishermen's Fund and affects the amount of money that is required under law to be deposited into the fund. The change results from a fee increase to both the resident and nonresident commercial fishing licenses and a reduction to the percentage of the receipts for each license category which will be designated for the Fishermen's Fund. This bill's impact will hold harmless the current revenue stream of the Fishermen's Fund with the potential of a slight revenue increase.

 Revenue figures are projections only due to the unpredictability of the fishing industry and the level of participants in any given year.

Prepared by: Paul Grossi, Director Phone: 465-2790
 Division: Workers' Compensation Date/Time: 4/28/99 2:48 PM
 Approved by Commissioner: Ed Flanagan, Commissioner
 Agency: Department of Labor Date: 4/28/99

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FISCAL NOTE

STATE OF ALASKA
1999 LEGISLATIVE SESSION

BILL NO. CSSB 146(FIN) AM

Revision Date/Time (Note if correction)	<u>5/4/99</u>	Dept. Affected	<u>Fish and Game</u>
Title	<u>Amount and Disposition of Commercial Fishing</u>	BRU	<u>Administration</u>
License Fee		Component	<u>Administration</u>
Sponsor	<u>Senate Finance Committee</u>	Component Serial No.	<u>479</u>
Requester	<u>House Finance Committee</u>		

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous - Vendor Commission						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES (1024)	222.6	724.5	724.5	724.5	724.5	724.5
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FUND SOURCE (Thousands of dollars)

FUND SOURCE	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts		(105.1)	(105.1)	(105.1)	(105.1)	(105.1)
1037 GF/Mental Health						
Other 1024 Fish & Game Fund		105.1	105.1	105.1	105.1	105.1
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY99) cost: _____

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Assumption: The number of licenses sold annually will remain constant and approximately the same number as sold during FY98 (25,273).

Fishermen's Fund: Currently receives 60% of crewmember license fees (\$844.9). During FY2000, a \$2.5 increase, and during FY2001 and thereafter, a \$11.8 increase is projected as a result of this bill.

General Fund: Currently receives 40% of the crewmember license fees (\$563.4) and pays for vendor commission (\$210.4). Starting in FY2000, this portion of the license fees will be allocated to the F&G fund. During FY2000, the \$105.1 allocated in Administration's budget for administering the licensing program will be collected as GF/Program Receipts, and will switch to Fish and Game funds in FY2001.

Vendor Commission: During FY2000, a \$3.5 increase and during FY01, a \$9.3 increase is anticipated.

Prepared by	<u>Kevin Brooks</u> <i>Kevin Brooks</i>	Phone	<u>465-5999</u>
Division	<u>Director</u>	Date/Time	<u>5/4/99 2:53 PM</u>
Approved by	<u>Commissioner Frank Rue</u> <i>Frank Rue</i>	Date	<u>5/4/99</u>
Agency	<u>Department of Fish and Game</u>		

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FISCAL NOTE

STATE OF ALASKA
1999 LEGISLATIVE SESSION

BILL NO. CSSB 146(FIN) AM

Revision Date/Time (Note if correction) <u>5/4/99</u>	Dept. Affected <u>Fish and Game</u>
Title <u>Amount and Disposition of Commercial Fishing</u>	BRU <u>Administration</u>
License Fee _____	Component <u>Administration</u>
Sponsor <u>Senate Finance Committee</u>	
Requester <u>House Finance Committee</u>	Component Serial No. <u>479</u>

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous - Vendor Commission						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES (1024)	222.6	724.5	724.5	724.5	724.5	724.5
----------------------------------	--------------	--------------	--------------	--------------	--------------	--------------

FUND SOURCE (Thousands of Dollars)

FUND SOURCE	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts		(105.1)	(105.1)	(105.1)	(105.1)	(105.1)
1037 GF/Mental Health						
Other 1024 Fish & Game Fund		105.1	105.1	105.1	105.1	105.1
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY99) cost: _____

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Assumption: The number of licenses sold annually will remain constant and approximately the same number as sold during FY98 (25,273).

Fishermen's Fund: Currently receives 60% of crewmember license fees (\$844.9). During FY2000, a \$2.5 increase, and during FY2001 and thereafter, a \$11.8 increase is projected as a result of this bill.

General Fund: Currently receives 40% of the crewmember license fees (\$563.4) and pays for vendor commission (\$210.4). Starting in FY2000, this portion of the license fees will be allocated to the F&G fund. During FY2000, the \$105.1 allocated in Administration's budget for administering the licensing program will be collected as GF/Program Receipts, and will switch to Fish and Game funds in FY2001.

Vendor Commission: During FY2000, a \$3.5 increase and during FY01, a \$9.3 increase is anticipated.

Prepared by	Kevin Brooks <i>Kevin Brooks</i>	Phone	465-5999
Division	Director	Date/Time	5/4/99 2:53 PM
Approved by	Commissioner Frank Rue <i>Frank Rue for</i>	Date	5/4/99
Agency	Department of Fish and Game		

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FISCAL NOTE

STATE OF ALASKA
1999 LEGISLATIVE SESSION

BILL NO. CSSB 146(FIN) AM

Revision Date/Time (Note if correction) 5/4/99 Dept. Affected Fish and Game
 Title Amount and Disposition of Commercial Fishing BRU Administration
 License Fee _____ Component Administration
 Sponsor Senate Finance Committee
 Requester House Finance Committee Component Serial No. 479

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous - Vendor Commission						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
----------------------	--	--	--	--	--	--

CHANGE IN REVENUES (1024)	222.6	724.5	724.5	724.5	724.5	724.5
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts		(105.1)	(105.1)	(105.1)	(105.1)	(105.1)
1037 GF/Mental Health						
Other 1024 Fish & Game Fund		105.1	105.1	105.1	105.1	105.1
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY99) cost: _____

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Assumption: The number of licenses sold annually will remain constant and approximately the same number as sold during FY98 (25,273).

Fishermen's Fund: Currently receives 60% of crewmember license fees (\$844.9). During FY2000, a \$2.5 increase, and during FY2001 and thereafter, a \$11.8 increase is projected as a result of this bill.

General Fund: Currently receives 40% of the crewmember license fees (\$563.4) and pays for vendor commission (\$210.4). Starting in FY2000, this portion of the license fees will be allocated to the F&G fund. During FY2000, the \$105.1 allocated in Administration's budget for administering the licensing program will be collected as GF/Program Receipts, and will switch to Fish and Game funds in FY2001.

Vendor Commission: During FY2000, a \$3.5 increase and during FY01, a \$9.3 increase is anticipated.

Prepared by Kevin Brooks *Kevin Brooks* Phone 465-5999
 Division Director Date/Time 5/4/99 2:53 PM
 Approved by Commissioner Frank Rue *Commissioner Frank Rue for* Date 5/4/99
 Agency Department of Fish and Game

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STATE OF ALASKA

05 APR 1999

TONY KNOWLES, GOVERNOR

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DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

April 19, 1999

Senator John Torgerson, Chair
Senate Finance Committee
State Capitol, Room 516
Juneau, Alaska 99801

Re: SB 146 - Alaska Fishermen's Fund;
legal issues

Dear Senator Torgerson:

In keeping with my agreement not to surprise you with legal issues that might arise concerning SB 146, I am providing you with this letter which will set out some matters for consideration by the committee. SB 146 proposes to increase the fees for commercial fishing licenses and to make a proportional reduction in the percentage of those fees that are dedicated to the fishermen's fund (AS 23.35.060). The balance of the fees not dedicated to the fishermen's fund would be deposited in the fish and game fund for further appropriation by the legislature.

I advised you in our telephone conversation that the Department of Law will take the same position regarding this bill as it did regarding the change in dedication for tobacco tax receipts. For the change in the rate of dedication of the tobacco tax, we reaffirmed our earlier advice that any change in the rate of dedication threatens the continuance of the dedicated fund. However, at that time we acknowledged the history in the Minutes of the Constitutional Convention which appears to support the argument that a change in rate does not trigger an end to a pre-existing dedication. I have also attached a memorandum written to former Representative Gardner concerning legislative action which raised many of the dedicated fund issues present in SB 146. In that memorandum we cautioned Representative Gardner that a change in the rate of dedication, even though proportional with an increase in the amount of the fee, would pose a serious threat to the continuance of the dedication to the fishermen's fund.

There is an additional legal issue raised in SB 146. It is believed that your bill is intended to only direct a part of the fees paid for crewmember licenses to the Fish and Game Fund. However, section 4 of the bill provides that "[e]xcept as provided in AS 16.04.470 and AS 23.35.060, fees collected from the sale of commercial fishing licenses" would be deposited in the fish and game fund. This may apply to more receipts than you intended, as it could include fees paid for limited entry and interim use permits as well as crew member licenses. That would eliminate the general fund program receipts upon which the CFEC's budget is based and reduce contributions to the general fund by approximately \$2.5 million. This would send the revenue now generated by the CFEC to the fish and game fund rather than to the general fund as provided

Sen. John Torgerson
Re: SB 146

April 19, 1999
Page 2

in existing law. If this is not your intent, we recommend that you consider changing section 4 to make it clear that only the balance collected from crewmember licenses will be deposited in the fish and game fund.

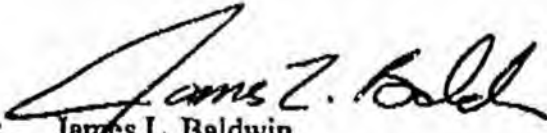
An additional amendment is suggested to the provisions in the bill appearing at page 2, lines 10 - 12. This provision appears to require the automatic deposit of a part of the commercial license fees into the fish and game fund. The fish and game fund receives revenues dedicated under federal law. The bill should be amended to add a provision that makes it clear that license fees are deposited in the fish and game fund only if the legislature appropriates the money there. This approach would be similar to the treatment given oil conservation surcharge receipts. See AS 46.08.020.

Finally, we believe you can achieve your intent in a way that avoids the dedicated fund issue involving the fishermen's fund. This issue remains a matter of concern even if the committee accepts the previously suggested amendments. You may consider another approach in lieu of changing the rate of dedication. Under this approach, the bill would leave existing law intact and would impose an additional crewmember fishing license fee generating revenue for the state general fund. The new fee provision would state that the legislature may appropriate the new revenues derived to the fish and game fund. This approach would be similar to the method used to increase the tobacco tax in AS 43.50.190. This method accomplishes your intent while avoiding the dedicated fund issue discussed above.

Let me know if we can assist you further in the committee's consideration of SB 146.

Sincerely,

BRUCE M. BOTELHO
ATTORNEY GENERAL

By: 
James L. Baldwin
Assistant Attorney General

JLB:jn
Enclosure

cc: Pat Pourchot, Legislative Director
Office of the Governor

Chrystal Smith, Legal Administrator
Deborah Behr, Assistant Attorney General
Department of Law



Official Business

Alaska State Senate

Senate Finance Committee

Mail Stop 3100
State Capitol
Juneau, Alaska 99801-1182

Sponsor Statement

Senate Bill 146

"The Crew Fishing License Fee"

Senate Bill 146 increases the cost of a crew-member's fishing license from \$30 per resident and \$90 per non-resident to \$60 for a resident and \$125 for a non-resident license. At the current time, 60% of the crew-member license fees goes into the Fisherman's Fund.

Senate Bill 146 reduces the percentage of license fees that goes into the fund from 60% to 39%. At the 39% level, the Fisherman's Fund will have the same amount of funding it receives now. The current balance of the fund is over \$9 million.

Senate Bill 146 directs 61% of the crew license fees to the Fish & Game Fund to be made available for appropriation to Commercial Fisheries Management in the FY 00 operating budget.

The intent is to direct the crew license fees to benefit the commercial fisheries industry.

FISCAL NOTE

No. 1
 Bill Version: CSSB 146(FIN)
 (S) Publish Date: 4-22-99

STATE OF ALASKA
 1999 LEGISLATIVE SESSION

Revision Date/Time (Note if correction) _____ Dept. Affected Fish and Game
 Title Amount and Disposition of Commercial Fishing BRU Administration
 License Fee _____ Component Administration
 Sponsor Senate Finance Committee
 Requester Senate Finance Committee Component Serial No. 479

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous - Vendor Commission	3.4	9.3	9.3	9.3	9.3	9.3
TOTAL OPERATING	3.4	9.3	9.3	9.3	9.3	9.3

CAPITAL EXPENDITURES						
----------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()	361.4	905.8	905.8	905.8	905.8	905.8
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FUND SOURCE (Thousands of Dollars)

FUND SOURCE	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts		(105.1)	(105.1)	(105.1)	(105.1)	(105.1)
1037 GF/Mental Health						
Other 1024 Fish & Game Fund	3.4	114.4	114.4	114.4	114.4	114.4
TOTAL	3.4	9.3	9.3	9.3	9.3	9.3

Estimate of any current year (FY99) cost: 210.4

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)
 Assumption: The number of licenses sold annually will remain constant and approximately the same number as sold during FY98 (25,273).
 Fishermen's Fund: During FY00, a \$73.9 increase is anticipated, and during FY01 and therefore, a \$40.6 increase is projected.
 Currently, the General Fund receives \$500.1 which is 40% of the crewmember license fees. Starting in FY00, the fees will be allocated to the F&G Fund. During FY00, the \$105.1 allocated in Administration's budget for administratering the licensing program will be collected as GF/Program Receipts, and will switch to Fish and Game funds in FY2001.

Prepared by Kevin Brooks *Kevin Brooks*
 Division Director
 Approved by Commissioner Frank Rue *Commissioner Frank Rue*
 Agency Department of Fish and Game

Phone 465-5999
 Date/Time 4/21/99 2:06 PM
 Date 4/19/99

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FISCAL NOTE

No. 2

BIL Bill Version: CSSB 146 (FIN)

(S) Publish Date: 4-27-99

STATE OF ALASKA
1999 LEGISLATIVE SESSION

Revision Date/Time (Note if correction): _____
 Title: Com. Fish License/Fishermen's Fund

 Sponsor: Senate Finance
 Requester: Senate Rules

Department Affected: Labor
 BRU: Workers' Compensation
 Component: Fishermen's Fund

 COMPONENT SERIAL NO. 343

EXPENDITURES/REVENUES: (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS & CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL						
CHANGE IN REVENUE	(20.9)	(53.3)	(53.3)	(53.3)	(53.3)	(53.3)
FUND SOURCE #	1032	1032	1032	1032	1032	1032

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipt						
1006 GF/MHTIA						
Other (Specify Type)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY99) impact: \$ None

ANALYSIS: (Attach a separate page if necessary)

This bill provides for a change to the revenue formula and affects the amount of money that is required under law to be deposited into the Fishermen's Fund. The impact to the Fishermen's Fund is that designated revenue from the sale of commercial fishing licenses will be reduced. While the increase to the resident license fee combined with a reduction to the percentage designated for the Fishermen's Fund results in an increase of approximately \$3.60 per license, the same is not true for nonresidents. Nonresident licenses will increase from \$90.00 to \$125.00, however, with the percentage of the funds designated as Fishermen's Fund being reduced from 60% to 36%, this translates into a reduction per nonresident license of \$9.00. Revenue figures are projections only, due to the unpredictability of the fishing industry and the level of participants in any given year.

Prepared by: Paul Grossi, Director *Paul Grossi* Phone: 465-2790
 Division: Workers' Compensation Date/Time: 4/22/99 2:44 PM
 Approved by Commissioner: Ed Flanagan, Commissioner *Ed Flanagan*
 Agency: Department of Labor Date: 4/22/99

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