

HB

333

Sponsor Statement by Alaska Department of Fish and Game
on House Bill 333
March 27, 2000

During the 1997 legislative session, HB 198, sponsored by Representative Bill Williams, was enacted into law by the legislature. House Bill 198 allows dive fishermen to form regional dive fishery associations. Once an association is formed and certified by the Department of Fish and Game, HB 198 allows it to conduct an election to determine whether divers harvesting in the region represented by the association wish to pay an assessment on the product they harvest. This assessment, which would be in addition to the other taxes divers pay, was to be used to fund additional research and stock assessment for the purpose of expanding the dive fisheries in the region. A portion of the assessment may also be used to offset administrative costs for the regional dive fishery association.

Since passage of HB 198, one dive association has formed, the Southeast Alaska Regional Dive Fishery Association (SARDFA). An election was conducted by SARDFA in 1999 and the divers approved assessments on geoducks, sea urchins, and sea cucumbers. These assessments are now being deposited in the state treasury. SARDFA and the department are discussing projects that would be funded by the assessments and SARDFA has approached the department about the funding for their administrative costs. Funds for all these are included in the department's FY 2001 budget requested by Governor Knowles.

It is anticipated that the legislature will appropriate the dive fishery assessments being collected in the FY 2001 budget. However, the assessments are currently classified as general funds. Since the legislature is indicating it plans to reduce general funds rather than increase them, it is likely any appropriation of dive fishery assessments will come at the cost of an equivalent reduction in other general funds available to the department.

This was not the intent of the proponents of HB 198, nor is it necessary. House Bill 333 appropriately reclassifies these funds as non-general fund program receipts, since they are recurring revenues generated by the fishing industry. Industry has clearly indicated they desire to have a higher level of government services in the form of enhanced fishery management and research and have shown they are willing to pay for it. House Bill 333 is necessary to fulfill the purpose of HB 198.

STATE OF ALASKA

TONY KNOWLES, GOVERNOR

DEPARTMENT OF FISH AND GAME

OFFICE OF THE COMMISSIONER

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February 8, 2000

Honorable John Harris
Co-Chair
House Special Committee on Fisheries
Capitol Building, Room 110
Juneau, AK 99801

Honorable Carl Morgan
Co-Chair
House Special Committee on Fisheries
Capitol Building, Room 409
Juneau, AK 99801

Dear Representatives Harris and Morgan:

House Bill 333, relating to the accounting for and appropriations of the dive fishery management assessment, was recently introduced and referred to the House Special Committee on Fisheries. I am requesting you schedule a hearing on this bill as soon as possible.

During the 1997 legislative session, the Legislature passed House Bill 198, sponsored by Representative Bill Williams. This bill provided a means for participants in dive fisheries to form associations and approve special assessments on their catches to fund management and research in the dive fisheries. By 1999 one such association had organized, conducted an election, and approved an assessment.

It is anticipated that the legislature will appropriate the assessments being collected during FY 2000 in the FY 2001 budget. However, the assessments are currently classified as general funds. Since the legislature is indicating it plans to reduce general funds rather than increase them, it is likely that any appropriation of the dive fishery assessments will come at the cost of an equivalent reduction in other general funds available to the department.

This was not the intent of the proponents of HB 198, nor is it necessary. House Bill 333 appropriately reclassifies these funds as non-general fund program receipts, since they are recurring revenues generated by the fishing industry. Industry has clearly indicated they desire to have a higher level of government services in the form of enhanced fishery management and research and have shown they are willing to pay for it.


These questions are fundamentally financial ones, and really have little to do with resource or fisheries management issues. This bill has a finance committee referral, and one course of action available to the Fisheries Committee is to waive the bill from its

February 8, 2000

jurisdiction. Whichever course of the action you decide, we request you give this bill your immediate attention.

Thank you very much for your consideration. If you have any questions, please give me a call.

Sincerely,


Frank Rue
Commissioner

cc: Pat Pourchot
Representative Bill Williams
Geron Bruce

Subject: Request hearing of HB 333

Date: Wed, 16 Feb 2000 16:29:59 -0900

From: Gig & Julie Decker <gigjulie@seapac.net>

**To: "Morgan, Carl" <Representative_Carl_Morgan@legis.state.ak.us>,
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"Smalley, Harold" <Representative_Harold_Smalley@legis.state.ak.us>,
"Whitaker, Jim" <Representative_Jim_Whitaker@legis.state.ak.us>**

Dear Representatives Morgan and Harris,

I would like to request a hearing of HB 333 as soon as possible.

HB 333 is a non-controversial, technical amendment to the original law signed in 1997 allowing the establishment of regional dive associations with the ability to assess themselves to support the development of their fisheries. HB 333 merely allows the dive assessment to be accounted for separately and appropriated back for the development of the fisheries.

HB 333 is the finishing touch on a progressive law which combines financial and informational resources of industry users and state managers.

SARDFFA, the Southeast Alaska Regional Dive Fisheries Association, is the first regional dive association to be created and begin assessing its members under this law. SARDFFA has been met with great encouragement and success around the State and country by putting forward its contribution towards the development of its industry in the form of time, expertise and money. Below are some of SARDFFA's successes:

- 1) SARDFFA has developed an efficient and well respected working relationship with ADF&G and other state officials.
- 2) SARDFFA has received a \$60,000 grant from the USDA for its administration of the association and the development of the dive industry.
- 3) SARDFFA's Board was instrumental in negotiating and securing \$850,000 of federal funding for research and development of the urchin fishery.
- 4) SARDFFA's Board is currently developing \$1,000,000 of federal funding for the geoduck fishery.

It is SARDFFA's mission to develop and enhance the Southeast Alaska dive fisheries to a sustainable and economically feasible level, resulting in the best utilization of a State resource for the health of the economy and ecology. In order to continue developing the necessary funding in order to fulfill this mission, SARDFFA needs to have assurance that its funding through the dive assessments will be returned by the Legislature in a simple and straight-forward manner.

Please help us secure our funding in order for us to help increase State funding through industry development.

Julie Decker

Southeast Alaska Regional Dive Fisheries Association, SARDFFA
Julie Decker, Executive Director, SARDFFA
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FISCAL NOTE

STATE OF ALASKA
2000 LEGISLATIVE SESSION

BILL NO. HB 333

Revision Date/Time (Note if correction)		Dept. Affected	<u>Fish and Game</u>
Title	<u>Classification of Dive Fishery Assessments</u>	BRU	<u>Commercial Fisheries</u>
		Component	<u>Special Projects</u>
Sponsor	<u>House Rules Committee</u>		
Requester	<u>House Fisheries Committee</u>	Component No.	<u>1943</u>

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services	60.0	60.0	60.0	60.0	60.0	60.0
Travel	20.0	20.0	20.0	20.0	20.0	20.0
Contractual	140.0	140.0	140.0	140.0	140.0	140.0
Supplies	48.0	48.0	48.0	48.0	48.0	48.0
Equipment						
Land & Structures						
Grants & Claims	60.0	60.0	60.0	60.0	60.0	60.0
Miscellaneous						
TOTAL OPERATING	328.0	328.0	328.0	328.0	328.0	328.0

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

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1108 Sta/Des Program Receipts						
1037 GF/Mental Health						
Other (Non-GF Program Receipts)	328.0	328.0	328.0	328.0	328.0	328.0
TOTAL	328.0	328.0	328.0	328.0	328.0	328.0

Estimate of any current year (FY2000) cost: 0.0

POSITIONS

Full-time					
Part-time					
Temporary					

ANALYSIS: (Attach a separate page if necessary)

This bill does not appropriate any funds. It specifies that dive fishery assessments, as authorized by Chapter 90, SLA 1997, are to be accounted for separately and specifies that the appropriation of the dive fishery assessments is not from the unrestricted general fund. Dive fishery assessments are a self-imposed tax in addition to the fisheries business tax. This tax was approved by the affected divers in 1999 and collections began that year. The department estimates that \$328.0 will be collected in FY 2000 for expenditures in the following year. The expenditure of the expected revenue generated by the dive fishery assessments is included in the governor's FY 2001 budget. The funding source for dive fishery assessments in the Governor's proposed FY 2001 budget is statutory designated program receipts. This bill will change that source designation to non-general fund program receipts since this is a self-assessed tax rather than a contractual agreement.

Prepared by:	<u>Robert D. Mecum</u>	
Division	<u>Division of Commercial Fisheries</u>	Phone <u>465-4210</u>
Approved by	<u>Commissioner Frank Rue</u>	Date/Time <u>3/24/00 9:29 AM</u>
Agency	<u>Department of Fish and Game</u>	Date <u>03/24/2000</u>

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