

**HB**

**26**

# LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES  
LEGISLATIVE AFFAIRS AGENCY  
STATE OF ALASKA

(907) 465-3867 or 465-2450  
FAX (907) 465-2029  
Mail Stop 3101


State Capitol  
Juneau, Alaska 99801-1182  
Deliveries to: 129 6th St., Rm. 329

## MEMORANDUM

February 22, 2005

**SUBJECT:** HB 26; Nonresident fee differential for short term commercial fishing crewmember fishing licenses

**TO:** Representative Carl Moses  
Attn: Adam Berg

**FROM:** George Utermohle   
Legislative Counsel

You have asked whether the state may charge a nonresident fee differential for a short term commercial fishing crewmember fishing license under HB 26, and whether the Carlson case would apply to any such nonresident differential.

The short answer to both questions is yes.

The privileges and immunities clause (art. IV, sec. 2) of the federal constitution, allows a person to pursue a livelihood in any state without unjust discrimination based on the person's state of residence. The short term commercial fishing crewmember fishing license allows a person to engage in commercial fishing. Commercial fishing is an occupation or livelihood that is protected by the federal privileges and immunity clause. Thus, the right of United States citizens to participate in Alaska commercial fisheries, regardless of their state of residence, is protected from unfair discrimination, including fee differentials, by the state.

The federal constitution does not prevent the state from imposing a fee differential on nonresidents; however, the federal constitution does limit the amount of the nonresident differential that nonresidents can be required to pay. The Alaska Supreme Court has determined that, under the privileges and immunities clause of the United States Constitution, the state cannot charge nonresident commercial fishermen more than their equal share of the costs of managing commercial fisheries in Alaska. Carlson v. State of Alaska, Commercial Fisheries Entry Commission, 798 P.2d 1269 (Alaska 1990), and 919 P.2d 1337 (Alaska 1996). In the Carlson decisions, the court determined that nonresident fee differentials based merely on a multiple of resident fees are not permissible. The amount of a permissible nonresident differential must be based on the amount necessary to equalize the amount that residents pay for the management of commercial fisheries (through license fees and other state taxes) with the amount that nonresidents pay toward management of commercial fisheries. The Alaska Supreme Court has held that the maximum amount of the differential that may be charged nonresidents for commercial

Representative Carl Moses  
February 22, 2005  
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fishing licenses can be determined by the following formula:

State fisheries budget divided by state population to determine the per capita cost of the state commercial fishery program. The answer is then multiplied by the proportion of state revenues derived from oil revenues. The resulting answer is a dollar amount which is the maximum allowable fee differential that the state may charge nonresidents.

See, Carlson, 919 P.2d at 1343 and 1345.

if I may be of further assistance, please advise.

GU:jad  
05-114.jad

**Representative Carl E. Moses, House District 37  
(907) 465-4451 – Adam Berg, Staff**

**SPONSOR STATEMENT / SECTIONAL ANALYSIS**

**CSHB26 (FSH) – Short-Term Commercial Fishing Crewmember Licenses**

The economic health of certain communities in Western Alaska has been jeopardized by unprecedented low salmon returns and / or prices. It is in the best interest of the State of Alaska and these communities to maximize options available for commercial fishermen to earn a living. One option available is to allow the purchase of short-term commercial fishing crewmember licenses. This would allow visitors an affordable way to engage in a sort of extreme tourism adventure by actually participating in the fishery as a crewmember.

Currently, tourists can go out with a commercial boat but cannot have any form of active participation without buying a full year crewmember license.

The House Fisheries Committee changed the bill as follows: The committee added a clause that prohibits fishing with rod and reel from a commercial fishing vessel and changed the length of the short-term license to seven days.

**BILL SECTIONS 1-2:** Changes the term from a “crewmember fishing license” to an “annual crewmember fishing license”. (Note: The reason for the term change applies to Bill Section 4.)

**BILL SECTION 3:** Allows residents and non-residents to purchase a seven-day commercial fishing crewmember license for \$30. Also assures that a short-term license holder is prohibited from using rod and reel while on a commercial vessel.

**BILL SECTION 4:** Assures that a short-term license holder is not considered a fisherman eligible for the Commercial Fishing Revolving Loan Fund.

**BILL SECTION 5:** Allows the Department of Fish & Game to add and collect an additional administrative fee of \$3 on licenses issued in 2005.

**BILL SECTION 6:** Makes the effective date July 1, 2005.

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Mail Stop 3101

State Capitol  
Juneau, Alaska 99801-1182  
Deliveries to: 129 6th St., Rm. 329

## MEMORANDUM

February 28, 2005

**SUBJECT:** HB 26; Short term commercial fishing crewmember licenses and the fishermen's fund (HB 26)

**TO:** Representative Paul Seaton  
Attn: Louis Flora

**FROM:** George Utermohle *GU*  
Legislative Counsel

This memorandum is in response to your questions regarding the effect that certain proposed changes to HB 26, relating to short term commercial fishing crewmember licenses, may have in regard to the fishermen's fund.

HB 26 proposes to create a short term commercial fishing crewmember license (the proposal varies from one-day to seven-day licenses). One of the issues raised by the proposal for short term licenses concerns whether the short term license holders should be eligible for benefits from the fishermen's fund. None of the versions of HB 26 considered by the Twenty-Fourth Alaska State Legislature have excluded short term license holders from participation in the fishermen's fund. However, you have inquired as to what the consequences may be if short term license holders were excluded from participation in the fishermen's fund.

The fishermen's fund, created in 1951, is a grandfathered dedicated fund, that is, one existing at the time of ratification of the Alaska Constitution. This dedication qualifies for grandfathering under the language of article IX, sec. 7, which states that "This provision shall not prohibit the continuance of any dedication for special purposes existing upon the date of ratification . . ." (emphasis added). As a grandfathered dedicated fund, the fishermen's fund is funded through the dedication of a portion of the commercial fishing license fees collected under AS 16.05.480 from entry permit and interim-use permit holders and from crewmember license holders. See, AS 23.35.060(a). Provided that the dedication of a specific fund source is not significantly altered by the legislature, the stream of revenue from that source can continue to be dedicated to the identified purpose until the legislature repeals the dedication. However, because the dedication of commercial fishing license fees to the fishermen's fund is a grandfathered dedicated fund, the legislature must take care when dealing with commercial fishing license fees so as to not affect those license fees in a way that would have the effect of destroying the dedication. The Department of Law has taken a conservative approach to protect the dedication of commercial fishing license fees to the fishermen's fund and has

generally warned against any changes in the rate or the amount of the dedicated commercial fishing license fees that go into the fishermen's fund in order to prevent an inadvertent revocation of the dedication.

ONE: Would the exclusion of the short term license holders from participation in the fishermen's fund affect the dedication of commercial fishing crewmember license fees to the fishermen's fund?

The short answer is probably no.

The determination of eligibility for participation in the benefits of the fishermen's fund is separate from, and unrelated to, the dedication of commercial fishing license fees, including crewmember license fees, to the fund. Excluding short term crewmember license holders from participation in the fishermen's fund does not affect the stream of revenue or the amount or rate of revenue that is dedicated to the fishermen's fund. It is the alteration of the stream of dedicated revenue that may place the continued dedication of a revenue stream at risk. A change to the eligibility requirements for participation in the benefits of the fishermen's fund or a change in the benefits provided under the program will not affect the continued dedication of commercial fishing license fees. Therefore, an exclusion of short term crewmember license holders from participation in the fishermen's fund is unlikely to jeopardize the continued dedication of commercial fishing license fees to the fishermen's fund.

TWO: Would the exclusion of short term commercial fishing crewmember license holders from participation in the fishermen's fund violate the equal protection rights of those short term license holders?

The short answer is that the proposal to exclude short term license holders from participation in the benefits of the fishermen's fund does raise an equal protection issue. Whether the proposal would survive judicial review will depend on the state's purpose for excluding the short term license holders and the relationship between the state's purpose and the means chosen to achieve the purpose. If the state can demonstrate that it has a legitimate purpose and that the exclusion of short term license holders from participation in the fishermen's fund is reasonably and substantially related to that purpose, the proposal should survive an equal protection challenge. It is also possible that there would be no viable equal protection issue if the state can show that holders of short term licenses are not similarly situated with other commercial fishing license holders and thus the two groups are not entitled to equal access to the fishermen's fund.

Under the state equal protection clause of art. I, sec. 1, of the Alaska Constitution, the Alaska courts apply a sliding scale under which the applicable standard of review is determined by the importance of the individual rights asserted and by the degree of suspicion by which the classification scheme is viewed. As the right asserted to be violated becomes more fundamental or the classification scheme becomes more constitutionally suspect, the challenged law is subjected to more rigorous scrutiny at a

more elevated position on the sliding scale. Classifications based on race are inherently suspect and are subject to the highest level of scrutiny. As the level of scrutiny applied on the sliding scale becomes higher, the asserted governmental interests must be more compelling and the legislation's means to ends fit must be correspondingly closer. If less scrutiny is required, less important governmental objectives will be sufficient and a greater degree of under inclusiveness or over inclusiveness in the means to ends fit will be tolerated. State, Department of Revenue v. Cosio, 858 P.2d 621 (Alaska 1993); State v. Ostrosky, 667 P.2d 1184 (Alaska 1983).

A reasonable argument can be made that a short term license holder is equally entitled to the benefits of the fishermen's fund on the same basis as are other commercial fishing license holders because they are subject to the same risk of occupational injury as the other crewmembers. Also, if part of the fee paid by the short term license holders is dedicated to the fishermen's fund then it would seem only fair that they be entitled to benefit from the fund.

The right of a short term crewmember license holder to benefit from the fishermen's fund in the same manner as a person who holds an annual crewmembers license affects the short term license holder's personal economic interests and as such falls at the low end of the equal protection spectrum. The Alaska Constitution requires only that legislation affecting economic rights have a legitimate purpose and that there be a fair and substantial relationship between the purpose and means chosen to achieve the purpose in order to satisfy equal protection. Chiropractors for Justice v. State, 895 P.2d 962 (Alaska 1995); Katmailand v. Lake and Peninsula Borough, 904 P.2d 397 (Alaska 1995). If the legislature has a legitimate reason for excluding short term crewmember license holders from receiving benefits of the fishermen's fund and the exclusion of short term crewmembers from the benefits of the fund reasonably achieved that purpose then the courts are likely to uphold the legislature's decision. It is, generally, relatively easy for the state to justify discrimination between individuals at this low level of scrutiny, but the Alaska Supreme Court has invalidated some legislative enactments because the state was not able to provide sufficient justification to survive such judicial scrutiny. Gilman v. Martin, 662 P.2d 120 (Alaska 1983); Turner Construction Co., Inc. v. Scales, 752 P.2d 467 (Alaska 1988); and Gilmore v. Alaska Workers' Compensation Board, 882 P.2d 922 (Alaska 1994). The ability of the legislature to exclude short term license holders from participating in the fishermen's fund will largely depend on the legitimacy of the legislature's reasons for its decision and the ability of the legislature to narrowly craft the means chosen to achieve that purpose.

The fundamental principle underlying the concept of equal protection is that similarly situated persons are to be treated equally. The Alaska Supreme Court has found that equal protection under art. I is not violated if the person challenging the law is not similarly situated with those included or excluded, as appropriate to the particular case, under the law at issue. Brandon v. Corrections Corporation of America, 28 P.3d 269 (Alaska 2001); Fairbanks North Star Borough Assessor's Office v. Golden Heart Utilities, Inc., 13 P.2d 263 (Alaska 2001); Rutter v. Alaska Board of Fisheries 963 P.2d 1007

Representative Paul Seaton  
February 28, 2005  
Page 4

(Alaska 1998). Concluding that two groups are not similarly situated necessarily implies that the different legal treatment of the two groups is justified by the differences between the groups.

If the state can establish that short term license holders were not similarly situated with annual license holders then the state may discriminate between the two groups without violating the equal protection clause. For example, if the persons who obtained short term licenses were tourists who needed a crew members license only to be present on a commercial fishing boat while it was engaged in fishing and were not employed in commercial fishing for a living then the state could reasonably argue that those persons were different from the crew members who held annual licenses and were continuously engaged in commercial fishing for a livelihood.

A further discussion of equal protection issues may be possible once a specific proposal to exclude short term crew member license holders from the benefits of the fishermen's fund is adopted, but a more definite answer concerning the equal protection issue may have to await a decision by the courts.

If I may be of further assistance, please advise.

GU:med  
05-127.med

AMENDMENT

OFFERED IN THE HOUSE

TO: CSHB 26(FSH)

- 1 Page 2, line 17, following "may not":
- 2       Insert "be paid, receive crew shares, or receive other compensation for work
- 3 performed under the license and may not"





# FISCAL NOTE

**STATE OF ALASKA**  
**2005 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: CSHB 26 (FSH)  
 () Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Fish and Game  
 Title Short-term Commercial Fishing RDU Administration and Support  
Crewmember License Component Administrative Services  
 Sponsor Representative Moses  
 Requester House Fisheries Committee Component No. 479

**Expenditures/Revenues** (Thousands of Dollars)

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

| OPERATING EXPENDITURES | FY 2006    | FY 2007    | FY 2008    | FY 2009    | FY 2010    | FY 2011    |
|------------------------|------------|------------|------------|------------|------------|------------|
| Personal Services      |            |            |            |            |            |            |
| Travel                 |            |            |            |            |            |            |
| Contractual            | 1.7        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        |
| Supplies               |            |            |            |            |            |            |
| Equipment              |            |            |            |            |            |            |
| Land & Structures      |            |            |            |            |            |            |
| Grants & Claims        |            |            |            |            |            |            |
| Miscellaneous          |            |            |            |            |            |            |
| <b>TOTAL OPERATING</b> | <b>1.7</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> |

|                             |  |  |  |  |  |  |
|-----------------------------|--|--|--|--|--|--|
| <b>CAPITAL EXPENDITURES</b> |  |  |  |  |  |  |
|-----------------------------|--|--|--|--|--|--|

|                                  |            |            |            |            |            |            |
|----------------------------------|------------|------------|------------|------------|------------|------------|
| <b>CHANGE IN REVENUES (1024)</b> | <b>1.5</b> | <b>1.5</b> | <b>1.5</b> | <b>1.5</b> | <b>1.5</b> | <b>1.5</b> |
|----------------------------------|------------|------------|------------|------------|------------|------------|

**FUND SOURCE** (Thousands of Dollars)

|                          |            |            |            |            |            |            |
|--------------------------|------------|------------|------------|------------|------------|------------|
| 1002 Federal Receipts    |            |            |            |            |            |            |
| 1003 GF Match            |            |            |            |            |            |            |
| 1004 GF                  | 1.7        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        |
| 1005 GF/Program Receipts |            |            |            |            |            |            |
| 1037 GF/Mental Health    |            |            |            |            |            |            |
| 1024 Fish and Game Fund  |            |            |            |            |            |            |
| <b>TOTAL</b>             | <b>1.7</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> |

Estimate of any current year (FY2005) cost: 0.0  
 Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

**POSITIONS**

|           |  |  |  |  |  |  |
|-----------|--|--|--|--|--|--|
| Full-time |  |  |  |  |  |  |
| Part-time |  |  |  |  |  |  |
| Temporary |  |  |  |  |  |  |

**ANALYSIS:** (Attach a separate page if necessary)

Assumptions:  
 1. 100 new short-term licenses will be purchased.  
 2. Per AS 23.35.060(a) Fishermen's Fund will receive 39% of the gross revenue. Fish and Game Fund will receive 61%.  
 3. Given the mid-year effective date, the department must print 5,000 new licenses for distribution statewide. We estimate the printing costs for these new licenses to be a one-time cost of roughly \$1,700. In the following years, this new license option will be incorporated into our standard license, so there will be no additional cost for offering this option.

(Continued on page 2)

Prepared by: Tom Lawson Phone 465-5999  
 Division Administrative Services Date/Time 2/11/05 3:19 PM  
 Approved by: Acting Commissioner Wayne Regelin Date 2/11/2005  
 Agency Department of Fish and Game

**ANALYSIS CONTINUATION**

This bill gives the department the ability to charge a \$3 administrative fee per license that would be imposed through regulation. If such a fee were imposed, printing costs would decrease by \$300 (\$3 fee x 100 new licenses sold).

| Type of License Sold       | Number of Licenses Sold | Amoun. | Total Gross Revenue | Vendor Commission | Total Commission | Total Net Revenue |
|----------------------------|-------------------------|--------|---------------------|-------------------|------------------|-------------------|
| Seven-day                  | 100                     | \$30   | \$3,000.00          | 10%               | \$300.00         | \$2,700.00        |
|                            |                         |        | \$3,000.00          |                   | \$300.00         | \$2,700.00        |
| <u>Break-out of Funds:</u> |                         |        |                     |                   |                  |                   |
| Fishermen's Fund           |                         | 39%    | \$1,170.00          |                   |                  |                   |
| Fish & Game Fund           |                         | 61%    | \$1,530.00          |                   |                  |                   |
|                            |                         | Total  | \$2,700.00          |                   |                  |                   |

# FISCAL NOTE

**STATE OF ALASKA**  
**2005 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: **CSHB026-DOLWD-FF-02-15-05**  
 ( ) Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Department: **Labor & Workforce Development**  
 Title: **Short-Term Com Fishing Crewmember License** RDU: **Workers' Compensation**  
 Component: **Fisherman's Fund**  
 Sponsor: **Representative Moses**  
 Requester: **House FSH** Component Number: **343**

**Expenditures/Revenues** (Thousands of Dollars)

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

| OPERATING EXPENDITURES | FY 2006 | FY 2007 | FY 2008 | FY 2009 | FY 2010 | FY 2011 |
|------------------------|---------|---------|---------|---------|---------|---------|
| Personal Services      |         |         |         |         |         |         |
| Travel                 |         |         |         |         |         |         |
| Contractual            |         |         |         |         |         |         |
| Supplies               |         |         |         |         |         |         |
| Equipment              |         |         |         |         |         |         |
| Land & Structures      |         |         |         |         |         |         |
| Grants & Claims        | *       | *       | *       | *       | *       | *       |
| Miscellaneous          |         |         |         |         |         |         |
| <b>TOTAL OPERATING</b> | *       | *       | *       | *       | *       | *       |

|                             |  |  |  |  |  |  |
|-----------------------------|--|--|--|--|--|--|
| <b>CAPITAL EXPENDITURES</b> |  |  |  |  |  |  |
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|                                  |     |     |     |     |     |     |
|----------------------------------|-----|-----|-----|-----|-----|-----|
| <b>CHANGE IN REVENUES (1032)</b> | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 |
|----------------------------------|-----|-----|-----|-----|-----|-----|

**FUND SOURCE** (Thousands of Dollars)

|   |   |   |   |   |   |   |
|---|---|---|---|---|---|---|
| 1002 Federal Receipts                   |   |   |   |   |   |   |
| 1003 GF Match                           |   |   |   |   |   |   |
| 1004 GF                                 |   |   |   |   |   |   |
| 1005 GF/Program Receipts                |   |   |   |   |   |   |
| 1037 GF/Mental Health                   |   |   |   |   |   |   |
| Other (Specify Type--Do not abbreviate) |   |   |   |   |   |   |
| <b>TOTAL</b>                            | * | * | * | * | * | * |

Estimate of any current year (FY2005) cost: None  
 Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

**POSITIONS**

|           |  |  |  |  |  |  |
|-----------|--|--|--|--|--|--|
| Full-time |  |  |  |  |  |  |
| Part-time |  |  |  |  |  |  |
| Temporary |  |  |  |  |  |  |

**ANALYSIS:** (Attach a separate page if necessary)

According to information provided by the Department of Fish and Game, it is anticipated 100 new licenses will be purchased. Under AS 23.35.060(a) the Fishermen's Fund will receive 39% of the revenue (\$1,053.00).

The revenues to the Fund generated by the new licenses (\$30 for a seven day license) compare favorably to those from annual licenses (\$21.06) that expose the Fund to much longer periods of potential liability. However, licensees who are tourists or otherwise inexperienced in fisheries may be more likely to sustain an injury. Consequently, the ultimate impact on the Fund's claim payment outlays is indeterminate.

Prepared by: Paul F. Lisanti, Director Phone: 465-6059  
 Division: Workers' Compensation Division Date/Time: 2/15/05 4:36 PM  
 Approved by: Greg O'Clary, Commissioner Date: 2/15/2005  
 Agency: Department of Labor and Workforce Development

# FISCAL NOTE

**STATE OF ALASKA**  
**2005 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: HB 26  
 ( ) Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Commerce  
 Title Short-Term Commercial Fishing RDU Investments (122)  
Crewmember License Component Investments  
 Sponsor Moses  
 Requester House Fisheries Component No. 383

**Expenditures/Revenues** (Thousands of Dollars)

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

| OPERATING EXPENDITURES | FY 2006    | FY 2007    | FY 2008    | FY 2009    | FY 2010    | FY 2011    |
|------------------------|------------|------------|------------|------------|------------|------------|
| Personal Services      |            |            |            |            |            |            |
| Travel                 |            |            |            |            |            |            |
| Contractual            |            |            |            |            |            |            |
| Supplies               |            |            |            |            |            |            |
| Equipment              |            |            |            |            |            |            |
| Land & Structures      |            |            |            |            |            |            |
| Grants & Claims        |            |            |            |            |            |            |
| Miscellaneous          |            |            |            |            |            |            |
| <b>TOTAL OPERATING</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> |

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| <b>CAPITAL EXPENDITURES</b> |  |  |  |  |  |  |
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|                               |  |  |  |  |  |  |
|-------------------------------|--|--|--|--|--|--|
| <b>CHANGE IN REVENUES ( )</b> |  |  |  |  |  |  |
|-------------------------------|--|--|--|--|--|--|

**FUND SOURCE** (Thousands of Dollars)

|  |            |            |            |            |            |            |
|--|------------|------------|------------|------------|------------|------------|
| 1002 Federal Receipts                  |            |            |            |            |            |            |
| 1003 GF Match                          |            |            |            |            |            |            |
| 1004 GF                                |            |            |            |            |            |            |
| 1005 GF/Program Receipts               |            |            |            |            |            |            |
| 1037 GF/Mental Health                  |            |            |            |            |            |            |
| Other (Specify Type-Do not abbreviate) |            |            |            |            |            |            |
| <b>TOTAL</b>                           | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> |

Estimate of any current year (FY2005) cost: 0.0  
 Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

**POSITIONS**

|           |  |  |  |  |  |  |
|-----------|--|--|--|--|--|--|
| Full-time |  |  |  |  |  |  |
| Part-time |  |  |  |  |  |  |
| Temporary |  |  |  |  |  |  |

**ANALYSIS:** (Attach a separate page if necessary)

This legislation provides for a new type of commercial fishing crewmember license that may be obtained for a one or three day time period. The bill will not impact the operations of the division.

Prepared by: Greg Winegar, Director Phone 907.465.2510  
 Division Investments Date/Time 2/7/05 4:54 PM  
 Approved by: Edgar Blatchford, Commissioner Date 2/7/2005  
 Agency Commerce, Community & Economic Development

(Revised 9/23/2004 GMB)

# FISCAL NOTE

**STATE OF ALASKA**  
**2005 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: HB026- DOLWD-FF-02-07-05  
 ( ) Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Department: Labor and Workforce Development  
 Title: Short-Term Com Fishing Crewmember License RDU: Workers' Compensation  
 Component: Fishermen's Fund  
 Sponsor: Representative Moses  
 Requester: House FSH Component Number: 343

**Expenditures/Revenues** (Thousands of Dollars)

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

| OPERATING EXPENDITURES | FY 2006 | FY 2007 | FY 2008 | FY 2009 | FY 2010 | FY 2011 |
|------------------------|---------|---------|---------|---------|---------|---------|
| Personal Services      |         |         |         |         |         |         |
| Travel                 |         |         |         |         |         |         |
| Contractual            |         |         |         |         |         |         |
| Supplies               |         |         |         |         |         |         |
| Equipment              |         |         |         |         |         |         |
| Land & Structures      |         |         |         |         |         |         |
| Grants & Claims        | *       | *       | *       | *       | *       | *       |
| Miscellaneous          |         |         |         |         |         |         |
| <b>TOTAL OPERATING</b> | *       | *       | *       | *       | *       | *       |

|                             |  |  |  |  |  |  |
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| <b>CAPITAL EXPENDITURES</b> |  |  |  |  |  |  |
|-----------------------------|--|--|--|--|--|--|

|                                  |     |     |     |     |     |     |
|----------------------------------|-----|-----|-----|-----|-----|-----|
| <b>CHANGE IN REVENUES (1032)</b> | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 |
|----------------------------------|-----|-----|-----|-----|-----|-----|

**FUND SOURCE** (Thousands of Dollars)

|  |   |   |   |   |   |   |
|--|---|---|---|---|---|---|
| 1002 Federal Receipts                  |   |   |   |   |   |   |
| 1003 GF Match                          |   |   |   |   |   |   |
| 1004 GF                                |   |   |   |   |   |   |
| 1005 GF/Program Receipts               |   |   |   |   |   |   |
| 1037 GF/Mental Health                  |   |   |   |   |   |   |
| Other (Specify Type-Do not abbreviate) |   |   |   |   |   |   |
| <b>TOTAL</b>                           | * | * | * | * | * | * |

Estimate of any current year (FY2005) cost: None  
 Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

**POSITIONS**

|           |  |  |  |  |  |  |
|-----------|--|--|--|--|--|--|
| Full-time |  |  |  |  |  |  |
| Part-time |  |  |  |  |  |  |
| Temporary |  |  |  |  |  |  |

**ANALYSIS:** (Attach a separate page if necessary)

According to information provided by the Department of Fish and Game, it is anticipated:

- 60 new licensees will purchase the one-day license.
- 40 new licensees will purchase the three-day license.
- 10% of revenue generated by those sales will remit to vendors' commissions.
- Under AS 23.35.060(a) the Fishermen's Fund will receive 39% of the gross revenue (\$1,482.00).

The revenues to the Fund generated by the new licenses (\$10.53/one-day and \$17.55/three-day) compare favorably to those from annual licenses (\$21.06) that expose the Fund to much longer periods of potential liability. However, licensees who are tourists or otherwise inexperienced in fisheries may be more likely to sustain an injury. Consequently, the ultimate impact on the Fund's claim payment outlays is indeterminate.

Prepared by: Paul F. Lisankie, Director Phone: 455-6059  
 Division: Workers' Compensation Division Date/Time: 2/7/05 3:34 PM  
 Approved by: Greg O'Claray, Commissioner Date: 2/7/2005  
 Agency: Department of Labor and Workforce Development

# FISCAL NOTE

**STATE OF ALASKA**  
**2005 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
 Bil. Version: H.B. 26  
 () Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Fish and Game  
 Title: Short-term Commercial Fishing RDU: Administration and Support  
Crowmember License Component: Administrative Services  
 Sponsor: Representative Moses  
 Requester: House Fisheries Committee Component No.: 479

**Expenditures/Revenues** (Thousands of Dollars)

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

| OPERATING EXPENDITURES | FY 2006    | FY 2007    | FY 2008    | FY 2009    | FY 2010    | FY 2011    |
|------------------------|------------|------------|------------|------------|------------|------------|
| Personal Services      |            |            |            |            |            |            |
| Travel                 |            |            |            |            |            |            |
| Contractual            | 1.7        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        |
| Supplies               |            |            |            |            |            |            |
| Equipment              |            |            |            |            |            |            |
| Land & Structures      |            |            |            |            |            |            |
| Grants & Claims        |            |            |            |            |            |            |
| Miscellaneous          |            |            |            |            |            |            |
| <b>TOTAL OPERATING</b> | <b>1.7</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> |

| CAPITAL EXPENDITURES | FY 2006 | FY 2007 | FY 2008 | FY 2009 | FY 2010 | FY 2011 |
|----------------------|---------|---------|---------|---------|---------|---------|
|                      |         |         |         |         |         |         |

| CHANGE IN REVENUES (1024) | FY 2006 | FY 2007 | FY 2008 | FY 2009 | FY 2010 | FY 2011 |
|---------------------------|---------|---------|---------|---------|---------|---------|
|                           | 1.9     | 1.9     | 1.9     | 1.9     | 1.9     | 1.9     |

**FUND SOURCE** (Thousands of Dollars)

|                          |            |            |            |            |            |            |
|--------------------------|------------|------------|------------|------------|------------|------------|
| 1002 Federal Receipts    |            |            |            |            |            |            |
| 1003 GF Match            |            |            |            |            |            |            |
| 1004 GF                  | 1.7        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        |
| 1005 GF/Program Receipts |            |            |            |            |            |            |
| 1037 GF/Mental Health    |            |            |            |            |            |            |
| 1024 Fish and Game Fund  |            |            |            |            |            |            |
| <b>TOTAL</b>             | <b>1.7</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> |

Estimate of any current year (FY2005) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

**POSITIONS**

|           |  |  |  |  |  |  |
|-----------|--|--|--|--|--|--|
| Full-time |  |  |  |  |  |  |
| Part-time |  |  |  |  |  |  |
| Temporary |  |  |  |  |  |  |

**ANALYSIS:** (Attach a separate page if necessary)

Assumptions:

- 100 new short-term licenses will be purchased.
- Per AS 23.35.060(a) Fishermen's Fund will receive 39% of the gross revenue. Fish and Game Fund will receive 61%.
- Given the mid-year effective date, the department must print 5,000 new licenses for distribution statewide. We estimate the printing costs for these new licenses to be a one-time cost of roughly \$1,700. In the following years, this new license option will be incorporated into our standard license, so there will be no additional cost for offering this option.

(Continued on page 2)

Prepared by: Tom Lawson Phone 465-5999  
 Division: Administrative Services Date/Time 2/8/05 3:58 PM  
 Approved by: Acting Commissioner Wayne Regelin Date 2/8/2005  
 Agency: Department of Fish and Game

**ANALYSIS CONTINUATION**

This bill gives the department the ability to charge a \$3 administrative fee per license that would be imposed through regulation. If such a fee were imposed, printing costs would decrease by \$300 (\$3 fee x 100 new licenses sold).

| Type of License Sold              | Number of Licenses Sold | Amount | Total Gross Revenue | Vendor Commission | Total Commission | Total Net Revenue |
|-----------------------------------|-------------------------|--------|---------------------|-------------------|------------------|-------------------|
| One - day                         | 60                      | \$30   | \$1,800.00          | 10%               | \$180.00         | \$1,620.00        |
| Three - day                       | 40                      | \$50   | \$2,000.00          | 10%               | \$200.00         | \$1,800.00        |
|                                   |                         |        | \$3,800.00          |                   | \$380.00         | \$3,420.00        |
| <b><u>Break-out of Funds:</u></b> |                         |        |                     |                   |                  |                   |
|                                   |                         |        | 39%                 | \$1,482.00        |                  |                   |
|                                   |                         |        | 61%                 | \$1,938.00        |                  |                   |
|                                   |                         |        | Total               | \$3,420.00        |                  |                   |



# Alaska State Legislature

Please enter into the record my testimony to the House Resources  
 committee name

Committee on HB 26, dated 2-23-05  
 bill # / subject public hearing date

I am a Commercial Fishermen in Cook Inlet and would like to go on record that I support HB 26.

Having a short term crew permit would make it easier to manage our day help during the salmon run.

We have many experienced former crew members that know how to fish and are willing to help us if the need arises such as run strength and time in the water. In the Cook Inlet region our run comes quickly and is over in just a few days. Our ability to hire for a short term at an adjusted rate would help the already financially strapped industry. I would not hire an inexperienced crewmen. Our season is very short and the pressure to make the "Payment" is a real burden. We do not train rookies during the run. This is a good bill for several reasons and I applaud your diligence to streamline our industry to make it better for all.

Thank you,

Elizabeth J. Chase

Signed: Elizabeth J. Chase  
 Testifier

Representing (optional)

PO Box 39 Kasilof, AK 99610  
 Address

(907) 262-3233  
 Phone number