

**SB**

**147**

**HOUSE COMMITTEE REPORT**

(11)

Date Referred to Committee: April 25, 2005

FURTHER REFERRALS:

Date of Committee Action: May 2, 2005

The FINANCE Committee considered:

CSSB 147(FIN)

CS FOR SENATE BILL NO. 147(FIN)

SPORT FISHING FACILITY REVENUE BONDS

"An Act providing for a sport fishing facility surcharge on sport fishing licenses; providing for the construction and renovation of state sport fishing facilities and for other projects beneficial to the sport fish resources of the state as a public enterprise; and authorizing the issuance of revenue bonds to finance those projects."

Recommends it be replaced with  HCS or  CS for SB147 (FIN)  
 For Senate Bills with new title:  Technical Title  New Title: HCR \_\_\_\_\_  Same Title  New Title

- attach amendments
- add new referral to \_\_\_\_\_ Committee
- Letter of Intent \_\_\_\_\_ Committee

- List of Abbrev for Depts.:
- ADM
  - CED
  - COR
  - CRT
  - EED
  - DEC
  - DFG
  - GOV
  - HSS
  - LEG
  - LAW
  - LWF
  - MVA
  - DNR
  - DPS
  - REV
  - DOT
  - UA

NEW FISCAL NOTES				
*Assigned by Chief Clerk's Office				
List by Dept(s):	*FN#	Fiscal	Indet.	Zero
DFG		✓		

PREVIOUS FISCAL NOTES				
List by Dept(s):	FN#	Fiscal	Indet.	Zero
REV	1	✓		

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
	Handker	*			
	CROFT			✓	
	STOLTZE				X
	Saul			X	
	MOSES			X	
	Kelly	X			
	Kelly	X			
Chair:	Meyer			X	
Chair:	Chevault			X	

# ALASKA STATE LEGISLATURE

## House of Representatives

**Committee Assignments:**

Rules Committee, Chairman  
Labor & Commerce Committee, Member  
Legislative Council, Member  
Special Committees:  
Oil & Gas  
Ways & Means



**Interim:**

716 West 4th Avenue, Suite 600  
Anchorage, AK 99501  
PHONE: (907) 269-0117  
FAX: (907) 269-0119

**SESSION (Jan-May):**

State Capitol  
PHONE: (907) 465-4968  
FAX: (907) 465-2040

### REPRESENTATIVE NORMAN ROKEBERG

e-mail: Representative\_Norman\_Rokeberg@legis.state.ak.us

#### FAX COVER SHEET

DATE: 5/3/2005

TO: Shaun

FAX: 5241 VOICE: \_\_\_\_\_

RE: SB 147

MESSAGE: Is this the amendment Sen  
Sebens wants?

Please advise

Brian Sparks

OK How fast

TOTAL NUMBER OF PAGES SENT, INCLUDING COVER SHEET: 2

#### CONFIDENTIALITY NOTICE

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**Amendment #1**

**May \_\_\_\_, 2005**

**To be offered in House Rules Committee to HCS CSSB 147(FIN)**

**Page 4, Line 1**

**Delete 8.50**

**and Insert 9.00**

**Page 4, Line 2**

**Delete 8.50**

**and Insert 9.00**

# FISCAL NOTE

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

Fiscal Note Number: 1  
 Bill Version: SB 147  
 (S) Publish Date: 4/1/05

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Revenue  
 Title: Sport Fishing Facility Revenue Bond RDU: Revenue Programs & Services  
 Component: Treasury Management  
 Sponsor: Senator Seekins  
 Requester: Senate Labor and Commerce Component No.: 121

**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	10.0					
Contractual	1,388.6					
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Debt Service		5,821.5	5,914.7	5,916.8	5,916.8	5,914.3
<b>TOTAL OPERATING</b>	<b>1,398.6</b>	<b>5,821.5</b>	<b>5,914.7</b>	<b>5,916.8</b>	<b>5,916.8</b>	<b>5,914.3</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
Fish and Game Fund		5,821.5	5,914.7	5,916.8	5,916.8	5,914.3
Revenue Bond proceeds	1,398.6	0.0				
<b>TOTAL</b>	<b>1,398.6</b>	<b>5,821.5</b>	<b>5,914.7</b>	<b>5,916.8</b>	<b>5,916.8</b>	<b>5,914.3</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 bill creates and authorizes the Sport Fishing Facility Revenue Bond sale of up to \$69 million in revenue bonds to finance construction of fisheries projects that benefit sport fishers. This fiscal note and analysis contemplates 20-year level debt service and a 5.5% interest rate/true interest cost, a negotiated sale, and credit ratings in the A category. The financing could take place 60 to 90 days after authorization became effective.

Financing assumptions include debt service beginning in FY07, interest earnings on bond proceeds of \$1,561,000, a 5.5% interest rate/true interest cost, underwriting spread of \$483,000, bond insurance cost of \$405,621, and other costs of issuance of \$500,000. Up to \$6,000,000 of bond proceeds will be placed in a reserve to secure the bonds. This balance will be invested with annual earnings offsetting debt service and the principal balance used for the final payment on the bonds.

Prepared by: Deven Mitchell Phone 465-3750  
 Division: Treasury Division Date/Time 3/29/05 10:50 AM  
 Approved by: Tom Boutin, Deputy Commissioner Date 3/29/2005  
 Agency: Department of Revenue

# FISCAL NOTE

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

Fiscal Note Number: 2  
 Bill Version: SB 147  
 (S) Publish Date: 4/1/05

Revision Date/Time (Note if correction) \_\_\_\_\_ Dept. Affected: Fish and Game  
 Title Sport Fishing Facility Revenue Bonds RDU Sport Fisheries  
 Component Sport Fisheries  
 Sponsor Senator Seekins  
 Requester Senate Labor and Commerce Com. Component No. 464

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

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

OPERATING EXPENDITURES	FY 2003	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 (1024)</b>	<b>1,553.4</b>	<b>6,213.5</b>	<b>6,213.5</b>	<b>6,213.5</b>	<b>6,213.5</b>	<b>6,213.5</b>
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**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: 00

Check 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 creates and authorizes the Sport Fishing Facility Revenue Bond sale for up to \$69 million in revenue bonds to finance the building of a new hatchery in Fairbanks, rebuilding of the Fort Richardson hatchery in Anchorage, and hatchery-related needs in Southeast Alaska.

Passage of this legislation will establish a framework that will allow ADF&G to (1) issue revenue bonds for the construction/enhancement of sport fish hatcheries; and (2) establish a new sport fishing facility surcharge.

(Continued on Page 2)

Prepared by: Tom Lawson, Director  
 Division Division of Administrative Services  
 Approved by: Wayne Regelin, Acting Commissioner  
 Agency Alaska Department of Fish and Game

Phone 465-5999  
 Date/Time 3/29/05 4:29 PM  
 Date 3/29/2005

FISCAL NOTE # 2

STATE OF ALASKA  
2005 LEGISLATIVE SESSION

BILL NO. SB 147

ANALYSIS CONTINUATION

Upon passage of this legislation, the State of Alaska's State Bond Committee will issue revenue bonds on behalf of ADF&G's Division of Sport Fish. The Committee will issue up to \$69 million in revenue bonds to fund the construction/enhancement of the hatcheries. Bond proceeds will be used to pay for construction and also for costs of issuing bonds and providing an advance funded debt service reserve account. The annual debt service on the bond is shown in a separate fiscal note submitted by the Department of Revenue.

ADF&G has submitted a one-time CIP funding request that will allow the Division of Sport Fish to use bond funds for construction of a new hatchery in Fairbanks, rebuilding the Fort Richardson hatchery in Anchorage, and addressing additional hatchery-related needs in Southeast Alaska.

Sport fishing license surcharges established in the legislation have been structured so as to generate roughly \$6 million annually – the same amount required to pay debt service on the bond. These revenues will be used, in combination with federal funds, to pay back the bond debt issued by the State Bond Committee. The surcharge will be terminated by regulation when the ADF&G Commissioner determines that the surcharge is no longer necessary to fund sport fishery enhancement facilities or to repay revenue bonds issued for construction or renovation of sport fishery enhancement facilities. The department expects to implement the surcharges on January 1, 2006, which allows the department to collect 25 percent of the net surcharges in FY2006, but the full net amount in FY2007 and beyond.

License Category	# Sold CY 2003	Proposed Fee	Potential SF Revenue Increase
Resident Sport Fishing	115,197	\$8.50	\$979,175
Resident Sport Fishing/Hunting	44,153	\$8.50	\$375,301
Resident Fishing/Hunting/Trapping	6,068	\$8.50	\$51,578
Nonresident Military Sport Fishing	4,210	\$8.50	\$35,785
Nonresident Military Fishing/Small Game	254	\$8.50	\$2,159
Nonresident 1-day Sport Fishing	109,622	\$8.50	\$931,787
Nonresident 3-day Sport Fishing	52,933	\$15.00	\$793,995
Nonresident 7-day Sport Fishing	84,314	\$25.00	\$2,107,850
Nonresident 14-day Sport Fishing	23,491	\$30.00	\$704,730
Nonresident Annual Sport Fishing	12,403	\$45.00	\$558,135
<b>Revenue Provided by Resident Anglers</b>			<b>\$1,406,053</b>
<b>Revenue Provided by Non-Resident Anglers</b>			<b>\$5,134,441</b>
<b>Potential Gross Revenue Generated</b>			<b>\$6,540,494</b>
<b>Adjust new revenues for vendor payments (-5%)</b>			<b>\$6,213,469</b>

# FISCAL NOTE

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

Fiscal Note Number: 3  
 Bill Version: CSSB 147(FIN)  
 (S) Publish Date: 4/20/05

Revision Date/Time (Note if correction) \_\_\_\_\_ Dept. Affected: Fish and Game  
 Title Sport Fishing Facility Revenue Bonds RDU Sport Fisheries  
 Component Sport Fisheries  
 Sponsor Senator Ralph Seekins  
 Requester Senate Rules Committee Component No. 464

**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			10.1	10.1	10.1	10.1
Contractual	200.0	350.0	1,182.8	1,182.8	1,182.8	1,182.8
Supplies			111.8	111.8	111.8	111.8
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>200.0</b>	<b>350.0</b>	<b>1,304.7</b>	<b>1,304.7</b>	<b>1,304.7</b>	<b>1,304.7</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
	1,553.4	6,213.5	6,213.5	6,213.5	6,213.5	6,213.5

**FUND SOURCE (Thousands of Dollars)**

FUND SOURCE	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
1002 Federal Receipts	150.0	262.5	978.5	978.5	978.5	978.5
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
1024 Fish and Game Fund	50.0	87.5	326.2	326.2	326.2	326.2
<b>TOTAL</b>	<b>200.0</b>	<b>350.0</b>	<b>1,304.7</b>	<b>1,304.7</b>	<b>1,304.7</b>	<b>1,304.7</b>

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

**POSITIONS**

Full-time	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)  
 This legislation creates and authorizes the Sport Fishing Facility Revenue Bond sale for up to \$69 million in revenue bonds to finance the building of a new hatchery in Fairbanks, rebuilding of the Fort Richardson hatchery in Anchorage, and hatchery-related needs in Southeast Alaska.  
  
 Passage of this legislation will establish a framework that will allow ADF&G to (1) issue revenue bonds for the construction/enhancement of sport fish hatcheries, and (2) establish a new sport fishing facility surcharge.

(Continued on Page 2)

Prepared by: Tom Lawson, Director Phone 465-5999  
 Division Division of Administrative Services Date/Time 4/20/05 8:00 AM  
 Approved by: McKie Campbell, Commissioner Date 4/20/2005  
 Agency Alaska Department of Fish and Game

**FISCAL NOTE # 3**

**STATE OF ALASKA  
2005 LEGISLATIVE SESSION**

**BILL NO. CSSB 147(FIN)**

**ANALYSIS CONTINUATION**

Upon passage of this legislation, the State of Alaska's State Bond Committee will issue revenue bonds on behalf of ADF&G's Division of Sport Fish. The Committee will issue up to \$69 million in revenue bonds to fund the construction/enhancement of the hatcheries. Bond proceeds will be used to pay for construction and also for costs of issuing bonds and providing an advance funded debt service reserve account. The annual debt service on the bond is shown in a separate fiscal note submitted by the Department of Revenue.

ADF&G has submitted a one-time CIP funding request that will allow the Division of Sport Fish to use bond funds for construction of a new hatchery in Fairbanks, rebuilding the Fort Richardson hatchery in Anchorage, and addressing additional hatchery-related needs in Southeast Alaska.

Sport fishing license surcharges established in the legislation have been structured so as to generate roughly \$6 million annually – the same amount required to pay debt service on the bond. These revenues will be used, in combination with federal funds, to pay back the bond debt issued by the State Bond Committee. The authority of the department to collect the surcharge will terminate on December 31 of the calendar year in which the bond debt is retired. The department expects to implement the surcharges on January 1, 2006, which allows the department to collect 25 percent of the net surcharges in FY2006, but the full net amount in FY2007 and beyond.

Beginning in FY06, \$200,000 will be expended to replace Southeast Sustainable Salmon Fund monies, which will no longer be available to fund Crystal Lake Hatchery operations. In FY07, a new program to provide king salmon smolt for release in the Haines area will be funded at an operational cost of \$150,000.

Increases to current sport fish hatchery program operational expenditures at Elmendorf and Fort Richardson hatcheries will not occur until FY08, at which time the new facilities in Fairbanks and Anchorage are scheduled to be completed and producing fish. This increased operational cost is estimated to be \$954,700. No additional positions will be required as existing positions will be reassigned as needed to operate the two new facilities.

All operational funds will be 75% Federal Aid matched with 25% Fish and Game Fund.

<b>License Category</b>	<b># Sold CY 2003</b>	<b>Proposed Fee</b>	<b>Potential SF Revenue Increase</b>
Resident Sport Fishing	115,197	\$8.50	\$979,175
Resident Sport Fishing/Hunting	44,153	\$8.50	\$375,301
Resident Fishing/Hunting/Trapping	6,068	\$8.50	\$51,578
Nonresident Military Sport Fishing	4,210	\$8.50	\$35,785
Nonresident Military Fishing/Small Game	254	\$8.50	\$2,159
Nonresident 1-day Sport Fishing	109,622	\$8.50	\$931,787
Nonresident 3-day Sport Fishing	52,933	\$15.00	\$793,995
Nonresident 7-day Sport Fishing	84,314	\$25.00	\$2,107,850
Nonresident 14-day Sport Fishing	23,491	\$30.00	\$704,730
Nonresident Annual Sport Fishing	12,403	\$45.00	\$558,135
<b>Revenue Provided by Resident Anglers</b>			<b>\$1,406,053</b>
<b>Revenue Provided by Non-Resident Anglers</b>			<b>\$5,134,441</b>
<b>Potential Gross Revenue Generated</b>			<b>\$6,540,494</b>
<b>Adjust new revenues for vendor payments (-5%)</b>			<b>\$6,213,469</b>

# FISCAL NOTE

**STATE OF ALASKA  
2005 LEGISLATIVE SESSION**

Fiscal Note Number: 4  
 Bill Version: HCS CSSB 147(FIN)  
 ('') Publish Date: 5/4/05

Revision Date/Time (Note if correction) \_\_\_\_\_ Dept. Affected: Fish and Game  
 Title Sport Fishing Facility Revenue Bonds RDU Sport Fisheries  
 Component Sport Fisheries  
 Sponsor Senator Ralph Seakins  
 Requester House Finance Committee Component No. 464

**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			10.1	10.1	10.1	10.1
Contractual	200.0	350.0	1,182.8	1,182.8	1,182.8	1,182.8
Supplies			111.8	111.8	111.8	111.8
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>200.0</b>	<b>350.0</b>	<b>1,304.7</b>	<b>1,304.7</b>	<b>1,304.7</b>	<b>1,304.7</b>
<b>CAPITAL EXPENDITURES</b>						
<b>CHANGE IN REVENUES (1024)</b>	<b>1,612.1</b>	<b>6,448.2</b>	<b>6,448.2</b>	<b>6,448.2</b>	<b>6,448.2</b>	<b>6,448.2</b>

**FUND SOURCE (Thousands of Dollars)**

1002 Federal Receipts	150.0	262.5	978.5	978.5	978.5	978.5
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
1024 Fish and Game Fund	50.0	87.5	326.2	326.2	326.2	326.2
<b>TOTAL</b>	<b>200.0</b>	<b>350.0</b>	<b>1,304.7</b>	<b>1,304.7</b>	<b>1,304.7</b>	<b>1,304.7</b>

Estimate of any current year (FY2005) cost: 0.0  
 Check 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 creates and authorizes the Sport Fishing Facility Revenue Bond sale for up to \$69 million in revenue bonds to finance the building of a new hatchery in Fairbanks, rebuilding of the Fort Richardson hatchery in Anchorage, and hatchery-related needs in Southeast Alaska.

Passage of this legislation will establish a framework that will allow ADF&G to (1) issue revenue bonds for the construction/enhancement of sport fish hatcheries; and (2) establish a new sport fishing facility surcharge.

(Continued on Page 2)

Prepared by: Tom Lawson, Director  
 Division: Division of Administrative Services  
 Approved by: McKie Campbell, Commissioner  
 Agency: Alaska Department of Fish and Game

Phone: 465-5999  
 Date/Time: 5/3/05 11:32 AM  
 Date: 5/3/2005

**FISCAL NOTE #4**

**STATE OF ALASKA  
2005 LEGISLATIVE SESSION**

**BILL NO. HCS CSSB 147(FIN)**

**ANALYSIS CONTINUATION**

Upon passage of this legislation, the State of Alaska's State Bond Committee will issue revenue bonds on behalf of ADF&G's Division of Sport Fish. The Committee will issue up to \$69 million in revenue bonds to fund the construction/enhancement of the hatcheries. Bond proceeds will be used to pay for construction and also for costs of issuing bonds and providing an advance funded debt service reserve account. The annual debt service on the bond is shown in a separate fiscal note submitted by the Department of Revenue.

ADF&G has submitted a one-time CIP funding request that will allow the Division of Sport Fish to use bond funds for construction of a new hatchery in Fairbanks, rebuilding the Fort Richardson hatchery in Anchorage, and addressing additional hatchery-related needs in Southeast Alaska.

Sport fishing license surcharges established in the legislation have been structured so as to generate roughly \$6 million annually – the same amount required to pay debt service on the bond. These revenues will be used, in combination with federal funds, to pay back the bond debt issued by the State Bond Committee. The authority of the department to collect the surcharge will terminate on December 31 of the calendar year in which the bond debt is retired. The department expects to implement the surcharges on January 1, 2006, which allows the department to collect 25 percent of the net surcharges in FY2006, but the full net amount in FY2007 and beyond.

Beginning in FY06, \$200,000 will be expended to replace Southeast Sustainable Salmon Fund monies, which will no longer be available to fund Crystal Lake Hatchery operations. In FY07, a new program to provide king salmon smolt for release in the Haines area will be funded at an operational cost of \$150,000.

Increases to current sport fish hatchery program operational expenditures at Elmendorf and Fort Richardson hatcheries will not occur until FY08, at which time the new facilities in Fairbanks and Anchorage are scheduled to be completed and producing fish. This increased operational cost is estimated to be \$954,700. No additional positions will be required as existing positions will be reassigned as needed to operate the two new facilities.

All operational funds will be 75% Federal Aid matched with 25% Fish and Game Fund.

<b>License Category</b>	<b># Sold CY 2003</b>	<b>Proposed Fee</b>	<b>Potential SF Revenue Increase</b>
Resident Sport Fishing	115,197	\$9.00	\$1,036,773
Resident Sport Fishing/Hunting	44,153	\$9.00	\$397,377
Resident Fishing/Hunting/Trapping	6,068	\$9.00	\$54,612
Nonresident Military Sport Fishing	4,210	\$8.50	\$35,785
Nonresident Military Fishing/Small Game	254	\$8.50	\$2,159
Nonresident 1-day Sport Fishing	109,622	\$10.00	\$1,096,220
Nonresident 3-day Sport Fishing	52,933	\$15.00	\$793,995
Nonresident 7-day Sport Fishing	84,314	\$25.00	\$2,107,850
Nonresident 14-day Sport Fishing	23,491	\$30.00	\$704,730
Nonresident Annual Sport Fishing	12,403	\$45.00	\$558,135
<b>Revenue Provided by Resident Anglers</b>			<b>\$1,488,762</b>
<b>Revenue Provided by Non-Resident Anglers</b>			<b>\$5,298,874</b>
<b>Potential Gross Revenue Generated</b>			<b>\$6,787,636</b>
<b>Adjust new revenues for vendor payments (-5%)</b>			<b>\$6,448,254</b>

# FISCAL NOTE

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

Fiscal Note Number: 5  
 Bill Version: HCS CSSB 147(RLS)  
 (H) Publish Date: 5/6/05

Revision Date/Time (Note if correction) \_\_\_\_\_ Dept. Affected: Fish and Game  
 Title Sport Fishing Facility Revenue Bonds RDU Sport Fisheries  
 Component Sport Fisheries  
 Sponsor Senator Ralph Seekins  
 Requester House Rules Committee Component No. 464

**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			10.1	10.1	10.1	10.1
Contractual	200.0	350.0	1,182.8	1,182.8	1,182.8	1,182.8
Supplies			111.8	111.8	111.8	111.8
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>200.0</b>	<b>350.0</b>	<b>1,304.7</b>	<b>1,304.7</b>	<b>1,304.7</b>	<b>1,304.7</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES (1024)</b>	<b>1,612.1</b>	<b>6,450.3</b>	<b>6,450.3</b>	<b>6,450.3</b>	<b>6,450.3</b>	<b>6,450.3</b>
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**FUND SOURCE** (Thousands of Dollars)

FUND SOURCE	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
1002 Federal Receipts	150.0	262.5	978.5	978.5	978.5	978.5
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
1024 Fish and Game Fund	50.0	87.5	326.2	326.2	326.2	326.2
<b>TOTAL</b>	<b>200.0</b>	<b>350.0</b>	<b>1,304.7</b>	<b>1,304.7</b>	<b>1,304.7</b>	<b>1,304.7</b>

Estimate of any current year (FY2005) cost: 0.0

Check 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 creates and authorizes the Sport Fishing Facility Revenue Bond sale for up to \$69 million in revenue bonds to finance the building of a new hatchery in Fairbanks, rebuilding of the Fort Richardson hatchery in Anchorage, and hatchery-related needs in Southeast Alaska.

Passage of this legislation will establish a framework that will allow ADF&G to (1) issue revenue bonds for the construction/enhancement of sport fish hatcheries; and (2) establish a new sport fishing facility surcharge.

(Continued on Page 2)

Prepared by: Tom Lawson, Director  
 Division Division of Administrative Services  
 Approved by: McKie Campbell, Commissioner  
 Agency Alaska Department of Fish and Game

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 Date/Time 5/5/05 3:55 PM  
 Date 5/5/2005

**FISCAL NOTE #5**

**STATE OF ALASKA  
2005 LEGISLATIVE SESSION**

**BILL NO. HCS CSSB 147(RLS)**

**ANALYSIS CONTINUATION**

Upon passage of this legislation, the State of Alaska's State Bond Committee will issue revenue bonds on behalf of ADF&G's Division of Sport Fish. The Committee will issue up to \$69 million in revenue bonds to fund the construction/enhancement of the hatcheries. Bond proceeds will be used to pay for construction and also for costs of issuing bonds and providing an advance funded debt service reserve account. The annual debt service on the bond is shown in a separate fiscal note submitted by the Department of Revenue.

ADF&G has submitted a one-time CIP funding request that will allow the Division of Sport Fish to use bond funds for construction of a new hatchery in Fairbanks, rebuilding the Fort Richardson hatchery in Anchorage, and addressing additional hatchery-related needs in Southeast Alaska.

Sport fishing license surcharges established in the legislation have been structured so as to generate roughly \$6 million annually – the same amount required to pay debt service on the bond. These revenues will be used, in combination with federal funds, to pay back the bond debt issued by the State Bond Committee. The authority of the department to collect the surcharge will terminate on December 31 of the calendar year in which the bond debt is retired. The department expects to implement the surcharges on January 1, 2006, which allows the department to collect 25 percent of the net surcharges in FY2006, but the full net amount in FY2007 and beyond.

Beginning in FY06, \$200,000 will be expended to replace Southeast Sustainable Salmon Fund monies, which will no longer be available to fund Crystal Lake Hatchery operations. In FY07, a new program to provide king salmon smolt for release in the Haines area will be funded at an operational cost of \$150,000.

Increases to current sport fish hatchery program operational expenditures at Elmendorf and Fort Richardson hatcheries will not occur until FY08, at which time the new facilities in Fairbanks and Anchorage are scheduled to be completed and producing fish. This increased operational cost is estimated to be \$954,700. No additional positions will be required as existing positions will be reassigned as needed to operate the two new facilities.

All operational funds will be 75% Federal Aid matched with 25% Fish and Game Fund.

<b>License Category</b>	<b># Sold CY 2003</b>	<b>Proposed Fee</b>	<b>Potential SF Revenue Increase</b>
Resident Sport Fishing	115,197	\$9.00	\$1,036,773
Resident Sport Fishing/Hunting	44,153	\$9.00	\$397,377
Resident Fishing/Hunting/Trapping	6,068	\$9.00	\$54,612
Nonresident Military Sport Fishing	4,210	\$9.00	\$37,890
Nonresident Military Fishing/Small Game	254	\$9.00	\$2,286
Nonresident 1-day Sport Fishing	109,622	\$10.00	\$1,096,220
Nonresident 3-day Sport Fishing	52,933	\$15.00	\$793,995
Nonresident 7-day Sport Fishing	84,314	\$25.00	\$2,107,850
Nonresident 14-day Sport Fishing	23,491	\$30.00	\$704,730
Nonresident Annual Sport Fishing	12,403	\$45.00	\$558,135
<b>Revenue Provided by Resident Anglers</b>			<b>\$1,488,762</b>
<b>Revenue Provided by Non-Resident Anglers</b>			<b>\$5,301,106</b>
<b>Potential Gross Revenue Generated</b>			<b>\$6,789,868</b>
<b>Adjust new revenues for vendor payments (-5%)</b>			<b>\$6,450,375</b>