

Leg. Finance - Finance Comte Files (1971-72) 8879

SB 147 cont., 149

134

1 (b) The amount of the increase shall be equal to not more than
2 one and one-half per cent compounded for each year of retirement.
3 Increases accrue from the first of July next following the effective
4 date of retirement and shall be paid beginning the first of July of
5 each year.

6 * Sec. 6. AS 14.25.220(5) is amended to read:

7 (5) "membership service" means service as a teacher in a
8 public school within the State of Alaska under the supervision and
9 control of the Department of Education, the school board of any borough
10 school district, incorporated city, incorporated school district,
11 independent school district, or the Board of Regents of the University
12 of Alaska, or any period during which the teacher is on an approved
13 sabbatical leave granted in accordance with AS 14.20.310 or is
14 receiving a disability retirement salary ["MEMBERSHIP SERVICE" IS ALSO
15 SERVICE AS A TEACHER IN A "NONPUBLIC" SCHOOL WHICH MEANS A SCHOOL
16 ESTABLISHED BY AN AGENCY OTHER THAN A STATE OR ITS SUBDIVISIONS WHICH
17 IS PRIMARILY SUPPORTED BY OTHER THAN PUBLIC FUNDS, AND THE OPERATION
18 OF WHOSE PROGRAM RESTS WITH OTHER THAN PUBLICLY ELECTED OR APPOINTED
19 OFFICIALS, AND WHICH OFFERS GRADES KINDERGARTEN THROUGH 12, OR ANY
20 COMBINATION OF THEM, AND IS STATE APPROVED OR ACCREDITED];

21 * Sec. 7. AS 14.25.220(8) is amended by adding a new subsection to read:

22 (D) a full-time elementary or secondary teacher in an
23 approved and accredited non-public school in Alaska.

24 * Sec. 8. AS 14.25.220 is amended by adding a new subsection to read:

25 (22) "average base salary" means the highest average base
26 salary during any three of the last 10 years of membership service or
27 the member's total period of membership service, whichever period of
28 service is less. The base salary in any school year for which the
29 member receives less than two-thirds of a year of credit shall not be

1 included in the determination of the average. If two-thirds or more of
2 a year of service credit is granted, the full year's salary shall be
3 included in the determination of the average.

4 * Sec. 9. Sec. 2 of this Act is retrospective to July 1, 1970.

5 * Sec. 10. This Act takes effect July 1, 1971.
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BOX 2100
JUNEAU ALASKA

Alaska State Legislature House

TO: George Hohman, Chairman
House Finance Committee

FROM: J. H. Hogan, Fiscal Analyst *JHH*

DATE: March 31, 1971

SUBJECT: SENATE BILL NO. 147

SENATE BILL NO. 147 makes the following major changes in provisions of the teachers' retirement system:

1) teachers with 30 years of creditable service may retire irrespective of their age -- a reduction in normal retirement age;

Cost factor .34%

2) \$300 is established as the minimum pension;

Cost factor .20%

3) a teacher is made eligible for deferred vested benefits after five years (as opposed to ten years) of membership service;

Cost factor .15%

4) re-employed teachers get retirement benefits increased from one and one-half percent of base salary to two percent. Cost calculated in last year's packages - not broken out separately;

5) the cost of living increases are authorized on a compounded basis;

6) other changes seem to exist but it would take further time to be specific about it.

The fiscal impact of the three costed items totals .69% or an increase of \$221,903 as the state's matching share. The total cost for one fiscal year for the state and the school districts would be \$443,966.

COST ANALYSIS

Teachers' Retirement System
Recommended Legislation
1971

Cost for present Plan	9.23%	<i>= on 62 mil 5,938,849 ÷ 2 =</i>
Cost for Reduction in Normal Retirement Age	.34%	<i>20/10 out 4.615 = 2,969,425</i>
Cost for Minimum Pension @\$300 per month	.20%	
Cost for five-year vesting	.15%	
	9.92%	<i>9.92 9.23 69</i>
Projected 1971-72 payroll used by Actuary	\$64,342,898.00	
Projected Employer Matching Rate	4.96%	
Projected State Matching Rate	4.96%	
Projected State Matching Requirement	\$ 3,191,407.74	

CR w/ Educ. amount budgeted for 71-72 x

644 x 4.615 = 5,938,849 ÷ 2 = 2,969,425

*71 500,000
x 500 =
diff. 231,952
133 like the
@ 300*

*Member
Social Security*

MEMORANDUM

State of Alaska

TO: Joseph R. Hunt, Commissioner
Department of Administration

THRU: Patrick H. Hunt, Director
Division of Personnel

DATE: January 28, 1971

FROM: Mary-Jean MacLeod
Benefit Supervisor
Division of Personnel

SUBJECT: Recommended Legislation

Upon receipt of the actual valuation and cost analysis of the various proposals presented to the Alaska Teachers' Retirement System by education groups, retired teachers associations, etc., I recommend that the following provisions be supported during the current legislative session:

1. Reduction of normal retirement age. I recommend that this section be amended to provide that normal retirement shall be paid 1) upon age 60 with 15 years of creditable service, or 2) upon completion of 30 years of creditable service, whichever is earlier. *currently 55/20*
2. Minimum pension. I recommend that the minimum benefit payable to any teacher who retired with at least 25 years of creditable service be increased from \$200 a month to \$300 a month. I further recommend that if the teacher retired under an early retirement benefit provision or elected a reduced annuity in lieu of paying their acreage indebtedness that the same percentage reduction applicable to their early retirement benefit or dollar amount reduction applicable to their acreage indebtedness continue on the increased base. *SP 147*

This increase will alleviate some of the problems which have become apparent due to increases in the cost of living. Although it does not alleviate the problem for future retirees, such a provision could be enacted without adversely affecting the present funding of the Plan.

Survivor's benefits. I recommend that survivor's benefit be extended to a dependent child regardless of age who is disabled prior to attaining majority for the lifetime of the child provided the child is permanently and totally disabled. *AS 173
James
Clemens*

4. Private schools. I recommend that the law be amended to provide that all private school teaching prior to the time that a private school becomes a participating employer in the Teachers' Retirement System, be considered outside service. I also recommend that private schools may become participating employers in the Teachers' Retirement System on a contractual basis with service subsequent to the effective date of the contract being considered membership service. *SP 147*

*Recommend
that private
schools be
participating
employers in
the Teachers' Retirement System*

Joseph E. Henri, Commissioner
January 23, 1971
Page 2

Teaching in a private school, other than in an institution of higher learning, was not creditable until legislation was passed during the 1970 session which provides that teaching in a private school outside of the State is creditable outside service and teaching in a private school within the State is creditable membership service. There has been no method by which this Department could require a private school to submit contributions to the Retirement System. However, a teacher in the school is entitled to service credit even though no contributions were paid. In discussions with the Alaska Education Association, we were advised that the intent of the 1970 amendment was to permit teachers to claim credit for private school teaching. Therefore, the method stated above would be acceptable to the Education Association and would carry out the intent of the 1970 legislation.

5. Vesting. I recommend that the membership service requirement for a vested benefit be reduced from ten years of membership to five years of membership. This would permit any teacher who teaches in the State five years to be guaranteed a benefit upon normal retirement age. Such a provision has been recommended by the National Council on Teacher Retirement and established in model teacher retirement acts.

6. Reduction of membership service requirement for eligibility. I recommend that the Law be amended to permit any teacher who can complete 15 years creditable service, five of which are in membership, to be included in the Alaska Teachers' Retirement System. At the present time, ten years of membership service is required. This provision is included in Senate Bills 31 and 39.

The effect would be that some members currently excluded from membership would be brought under the Alaska Teachers' Retirement System. However, since they would have a retroactive contribution indebtedness for all membership service subsequent to July, 1955, the cost effect on the fund would be negligible.

At the November Teachers' Retirement Board meeting, the Board recommended legislation which would require a teacher to teach two-thirds of a school year in order for that year's salary to be used in calculating the average base salary. This problem was pointed out when several teachers taught for a very short period of time during the 1970-71 school year in order to receive credit for the increased salary payable during that year. I recommend that this legislation be included in our proposals.

Joseph K. Henri, Commissioner
January 28, 1971
Page 3

In addition to these provisions, Section 14.25.120(c)(5) should be amended to increase the benefit payment to a retired individual who is re-employed and subsequently retires to 2%. This was erroneously omitted from the 1970 legislation, and teaching service in the Territory should again be added to certain sections of the law. The last change was requested by the Legislative Affairs Agency and is purely technical in nature.

The cost requirements for these changes are on the attached.

Enclosure
RJA/ep

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January 25, 1971

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SYDNEY
TOKYO

Miss Mary-Jean Hackwood
Benefits Supervisor, Retirement Section
Department of Administration
State of Washington
Pouch C
Juneau, Alaska 99801

Dear Miss Hackwood:

In accordance with your request as set out in your letter of January 8, 1971 and in previous conversations, we have made determinations of the costs of various changes to the Alaska Teachers' Retirement System which have been or may be proposed. Each of these determinations is based upon the valuation of that System as of June 30, 1970.

I. Reduction in Normal Retirement Age

In the last legislature, the normal retirement age of the System was reduced from (a) age 60 with 15 years of creditable service to (b) age 55 and completion of 30 years of creditable service, if earlier than (a).

We have determined the effect on costs of a normal retirement date of the earlier of (a) and (b) where (a) is attainment of age 60 and completion of 15 years of creditable service and (b) is as follows:

	Effect on Costs	
	<u>Dollar Cost</u>	<u>Percentage of Pay</u>
(b) is attainment of age 55 and completion of 25 years of creditable service.	\$246,661	.38%
(b) is completion of 30 years of creditable service	217,927	.34%
(b) is completion of 25 years of creditable service	684,810	1.06%

II. Post Retirement Pension Adjustment

Currently, the System contains a provision for the adjustment of pensions after retirement for changes in the cost of living. This provision is discretionary, based upon the financial ability of the fund to support such adjustments. Thus, these adjustments are made on a year by year basis provided that there are sufficient actuarial gains in the fund to support them. The most significant source of such gains is excess investment return.

Several proposals to lift the current limit of 1-1/2% per year have been expressed. Although these adjustments are supported by actuarial gains and although some of the proposals call for partial funding of such adjustments by appropriations from the general fund, I feel that the best way to compare the fiscal impacts of these provisions is to compare the cost of prefunding with respect to each of these provisions.

It is virtually impossible to separate the costs of post retirement pension adjustment costs from the other provisions of the plan. However, based upon the current benefit formula, normal retirement age, etc., the cost of prefunding the post retirement pension adjustment would be as follows:

<u>PRPA Limit</u>	<u>Cost as % of Pay</u>	<u>Cost as % of (a)</u>
(a) 1-1/2%	1.71%	-
(b) 2%	2.44%	143%
(c) 3%	3.55%	208%
(d) 4%	4.66%	273%
(e) 5%	5.39%	315%

III. Cost of Living Allowance

Currently, the System contains a provision for a Cost of Living Allowance. This provision is designed to adjust pensions of those pensioners who remain in Alaska for differences in the cost of living in Alaska as opposed to the remainder of the United States. This adjustment is funded through the general fund.

There has been a proposal made to increase this adjustment from 10% of retirement salary to 25% of retirement salary.

Again, the best means of determining the fiscal impact of this proposal is to compare the costs of the current and proposed Cost of Living Adjustments assuming that these were being prefunded.

Miss Mary-Jean Hackwood

January 25, 1971

On this basis, the comparative costs are:

<u>Cost of Living Adjustment</u>	<u>Cost as % of Pay</u>	<u>Cost as % of (a)</u>
(a) 10%	.37%	-
(b) 25%	.92%	249%

IV. Minimum Pension

In the last legislature, a provision was added to the System providing for a minimum pension of \$200 per month for those who were already retired at the effective date. There have been proposals expressed for the increase of these minimum pensions to (a) \$250 per month or (b) \$300 per month.

The increases in cost to provide these minimums have been estimated as follows:

<u>Minimum</u>	<u>Increase in Liability</u>	<u>Cost as % of Pay</u>
\$250 per month	\$ 665,314	.09%
\$300 per month	1,453,575	.20% *

V. Retroactive Changes

It has been proposed that all future changes in benefit formula must be applied to current retirees at the effective date of change as well as future retirees at that point.

Of course, the fiscal effect on the System of this course of action would depend upon the nature and the timing of such a change and would have to be evaluated with respect to each specific proposal separately.

As an example, however, the increase in plan liabilities in applying the most recent change to all retirees would be \$3,205,119. The increase in percentage of payroll cost of the plan would be .45%.

VI. Survivor Benefits

There have been two proposals expressed with regard to the survivorship benefit provisions of the plan.

and per year 128,000 plus
\$1,453-575 - This is current amount
over 16 years
375 or 15 per month -

Miss Mary-Jean Hackwood

- 4 -

January 25, 1971

The first is to reduce the employee supplemental contribution from 1% of pay to 1/2% of pay. Currently, the present value of survivorship benefits exceeds the present value of supplemental contributions by \$307,803. (Present value of benefits \$781,650; Present value of supplemental contributions \$473,844). The proposal would increase this deficit by \$236,929 and would increase the percentage of payroll cost by .03%.

The second is a proposal to extend into-majority the survivorship benefit to a child of a deceased participant who was disabled prior to attaining majority. This is a most difficult benefit on which to determine a cost. It would require statistical data on minor children of those participants making supplemental contributions which we do not have. I can only say that if disability is well defined in the statute and if such beneficiaries are checked periodically to ensure that they are still disabled, the fiscal effect of this provision would not be substantial.

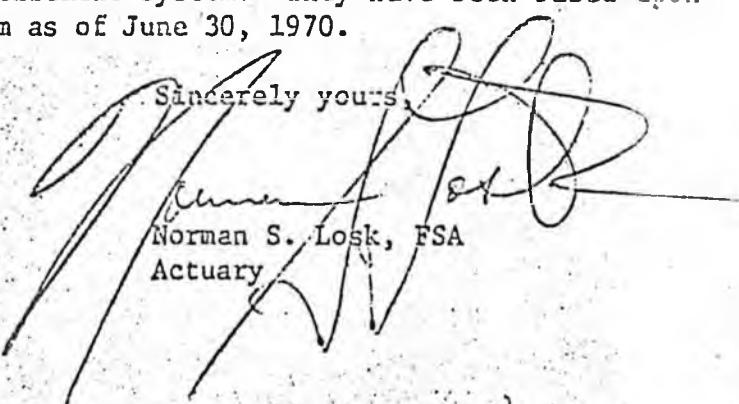
VII. Vesting

A proposal has been made to reduce the period of membership service required for a vested interest in one's accrued benefit from 10 years to 5 years.

I estimate that this would increase the liabilities of the System by \$1,056,152 and would increase the percentage of payroll cost by .15%.

These are my estimates of the costs of various proposals for changes in the Alaska Teachers' Retirement System. They have been based upon the valuation of the System as of June 30, 1970.

Sincerely yours,


Norman S. Losk, FSA
Actuary

NSL:dk
Attachments



Alaska State Legislature

Juneau

JUNEAU ALASKA

TO: George Nollan, Chairman, House Finance Committee

FROM: Jay Hogan, fiscal analyst

DATE: April 30, 1971

SUBJECT: SENATE BILL NO. 147

SENATE BILL NO. 147 makes the following changes in provisions of the teachers' retirement system:

- 1) teachers with 30 years of creditable service may retire irrespective of their age;
- 2) re-employed teachers get retirement benefits increased from one and one-half percent of base salary to two percent;
- 3) a \$300 floor is established as an encouragement to certain teachers to retire before July 1, 1971;
- 4) a teacher is made eligible for deferred vested benefits after five years as opposed to ten years of membership service;
- 5) the cost of living increases are authorized on a compounded basis;
- 6) other changes seem to exist but it would take further time to be specific about it.

The fiscal impact of this bill is probably hidden. There may be no fiscal impact on the general fund this year or next. However, in years to come the districts might be required to increase their payments into the retirement system in order to fund these increased benefits. Or the general fund might be drawn upon through increased unit allotments to district schools to fund these increased benefits. Or the retirement fund might "require refinancing" to fund these increased benefits.



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James D. Smith
Signature of Camera Operator

4/4/89
Date

Committee Report

HOUSE OF REPRESENTATIVES

6/14/71

_____ Date

Mr. Speaker:

The Committee on FINANCE has had SSB 140 under consideration. A majority of the members of the Committee

recommends it do pass

recommends it do not pass

recommends it do pass with attached amendment(s)

recommends it be replaced with CS for _____ and that CS for _____ do pass

(and) recommends it be referred to the _____ committee

reports it back without recommendation

(other) _____

MEMBERS SIGNING THE MAJORITY REPORT:

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

_____	recommends:
_____	recommends:
_____	recommends:
_____	recommends:
_____	recommends:

CHAIRMAN

Introduced: 3/8/71
Referred: Resources and
Finance

1 IN THE SENATE

BY RETTIG

2 SENATE BILL NO. 149

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to license and tag fees."

7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

8 * Section 1. AS 16.05.340(a) is amended to read:

9 (a) Fees for licenses and tags are as follows:

10 (1) Resident sport fishing license.....\$10 [\$ 5]

11 However, the fee is \$1 for a resident who is blind.

12 (2) Resident hunting license..... 14 [7]

13 (3) (A) Resident hunting and trapping license..... 20 [10]

14 (B) Resident trapping license..... 10 [3]

15 (4) Resident hunting and sport fishing license..... 24 [12]

16 (5) Resident hunting, trapping, and sport fishing
17 license..... 34 [15]

18 However, the fee is 25 cents for the head of a family or a dependent
19 member of his family or one solely dependent upon himself for support
20 upon proof presented by the applicant that the applicant (A) is obtain-
21 ing or has obtained assistance during the preceding six months under
22 any state or federal welfare program to aid the indigent, or (B) has
23 an annual family gross income of less than \$3,600 for the year preceding
24 application.

25 (6) Visitor's special sport fishing license - valid for
26 a period of 10 days after date of issuance.....\$10 [\$ 5]

27 (7) Nonresident sport fishing license..... 20 [10]

28 (8) Nonresident hunting license..... 20 [10]

29 (9) Nonresident hunting and sport fishing license.. 40 [20]

1 A nonresident may not take a big game animal without previously
2 purchasing a numbered, nontransferable, appropriate tag, issued to
3 him as provided in (16) of this section. The tag shall be affixed
4 to the animal immediately upon taking and shall remain affixed until
5 the animal is prepared for storage, consumed, or exported.

- 6 (10) Nonresident hunting and trapping license.....\$200 [\$100]
7 (11) Repealed by sec. 2 ch. 32 SLA 1968
8 (12) Repealed by sec. 2 ch. 32 SLA 1968
9 (13) Resident fur dealer and taxidermy license.... 100 [20]
10 (14) Nonresident fur dealer and taxidermy license. 250 [100]
11 (15) Fish, fur or game farming license..... 100 [5]
12 (16) Nonresident big game tags:
13 Brown or grizzly bear, each..... 150 [75]
14 Polar bear, each..... 300 [150]
15 Black bear or deer, each..... 20 [10]
16 Bison, moose, or sheep, each..... 100 [50]
17 Walrus, each..... 250 [100]
18 Elk or [,] goats [, OR CARIBOU], each..... 50 [25]
19 Caribou, each..... 30
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Original sponsor: Rettig

Offered: 3/18/71
Referred: Finance

1 IN THE SENATE

BY THE RESOURCES COMMITTEE

2 CS FOR SENATE BILL NO. 149

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to license and tag fees."

7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

8 * Section 1. AS 16.05.340(a) is amended to read:

9 (a) Fees for licenses and tags are as follows:

10 (1) Resident sport fishing license \$10 [\$ 5]

11 However, the fee is \$1 for a resident who is blind.

12 (2) Resident hunting license 10 [7]

13 (3) (A) Resident hunting and trapping license . 20 [10]

14 (B) Resident trapping license 10 [3]

15 (4) Resident hunting and sport fishing license . 20 [12]

16 (5) Resident hunting, trapping, and sport fishing
17 license 30 [15]

18 However, the fee is 25 cents for the head of a family or a dependent
19 member of his family or one solely dependent upon himself for support
20 upon proof presented by the applicant that the applicant (A) is obtain-
21 ing or has obtained assistance during the preceding six months under
22 any state or federal welfare program to aid the indigent, or (B) has
23 an annual family gross income of less than \$3,600 for the year preceding
24 application.

25 (6) Visitor's special sport fishing license - valid for
26 the 10-day period inscribed on the license [A PERIOD OF 10 DAYS AFTER
27 DATE OF ISSUANCE] \$10 [\$ 5]

28 (7) Nonresident sport fishing license 25 [10]

29 (8) Nonresident hunting license. 25 [10]

1 (9) Nonresident hunting and sport fishing license.. 50 [20]

2 A nonresident may not take a big game animal without previously
3 purchasing a numbered, nontransferable, appropriate tag, issued
4 to him as provided in (16) of this section. The tag shall be
5 affixed to the animal immediately upon taking and shall remain
6 affixed until the animal is prepared for storage, consumed, or
7 exported.

8 (10) Nonresident hunting and trapping license . . . \$200 [\$100]

9 (11) Repealed by sec. 2 ch. 32 SLA 1968

10 (12) Repealed by sec. 2 ch. 32 SLA 1968

11 (13) (A) Resident fur dealer [AND TAXIDERMY]

12 license 20

13 (B) Nonresident fur dealer license 100

14 (14) (A) Resident [NONRESIDENT FUR DEALER AND]

15 taxidermy license 50 [100]

16 (B) Nonresident taxidermy license 150

17 (15) Fish, fur or game farming license. 100 [5]

18 (16) Nonresident big game tags:

19 Brown or grizzly bear each. 200 [75]

20 Polar bear, each 500 [150]

21 Black bear, except blue color phase, or

22 deer, each 25 [10]

23 Black bear, blue (glacier) color phase 250

24 Bison, or moose, [OR SHEEP,] each. 200 [50]

25 Sheep or walrus [WALRUS], each 250 [100]

26 Elk or [,] goats [, OR CARIBOU], each. 75 [25]

27 Wolf or caribou, each 50

28 Wolverine, each 25

29

Original sponsor: Rettig

Offered: 3/18/71
Referred: Finance

1 IN THE SENATE

BY THE RESOURCES COMMITTEE

2

CS FOR SENATE BILL NO. 149

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SEVENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act relating to license and tag fees; and providing for an effective date."

7

8

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

9

* Section 1. AS 16.05.340(a) is amended to read:

10

(a) Fees for licenses and tags are as follows:

11

(1) Resident sport fishing license \$10 [\$ 5]

12

However, the fee is \$1 for a resident who is blind.

13

(2) Resident hunting license 10 [7]

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(3) (A) Resident hunting and trapping license 20 [10]

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(B) Resident trapping license 10 [3]

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(4) Resident hunting and sport fishing license 20 [12]

17

(5) Resident hunting, trapping, and sport fishing

18

license 30 [15]

19

However, the fee is 25 cents for the head of a family or a dependent member of his family or one solely dependent upon himself for support upon proof presented by the applicant that the applicant (A) is obtaining or has obtained assistance during the preceding six months under any state or federal welfare program to aid the indigent, or (B) has an annual family gross income of less than \$3,600 for the year preceding application.

26

(6) Visitor's special sport fishing license - valid for

27

the 10-day period inscribed on the license [A PERIOD OF 10 DAYS AFTER DATE OF ISSUANCE] \$10 [\$ 5]

28

29

(7) Nonresident sport fishing license 10 [10]

1 (8) Nonresident hunting license. ²⁰25 [10]

2 (9) Nonresident hunting and sport fishing license ⁴⁰50 [20]

3 A nonresident may not take a big game animal without previously
4 purchasing a numbered, nontransferable, appropriate tag, issued
5 to him as provided in (16) of this section. The tag shall be
6 affixed to the animal immediately upon taking and shall remain
7 affixed until the animal is prepared for storage, consumed, or
8 exported.

9 (10) Nonresident hunting and trapping license. . . \$200 [\$100]

10 (11) Repealed by sec. 2 ch. 32 SLA 1968

11 (12) Repealed by sec. 2 ch. 32 SLA 1968

12 (13) (A) Resident fur dealer [AND TAXIDERM]Y
13 license. 20

14 (B) Nonresident fur dealer license 100

15 (14) (A) Resident [NONRESIDENT FUR DEALER AND]
16 taxidermy license. 50 [100]

17 (B) Nonresident taxidermy license. 150

18 (15) Fish, fur or game farming license 100 [5]

19 (16) Nonresident big game tags:

20 Brown or grizzly bear, each ¹⁵⁰~~200~~ [75]

21 Polar bear, each. ¹⁵⁰500 [150]

22 Black bear, except blue color phase, or
23 deer, each 25 [10]

24 Black bear, blue (glacier) color phase. ¹⁵⁰~~250~~

25 ¹⁰⁰ ~~150~~ ⁷⁵⁰ ~~100~~ Bison, or moose, [OR SHEEP,] each 200 [50]

26 ¹⁵⁰ ~~100~~ ¹⁰⁰ ~~100~~ Sheep or walrus [WALRUS], each. 250 [100]

27 Elk or [,] goats [, OR CARIBOU], each 75 [25]

28 Wolf or caribou, each 50

29 Wolverine, each 25

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* Sec. 2. This Act takes effect January 1, 19⁷³/₇₂.

Original sponsor: Rettig

~~Offered: 3/19/71~~
~~Referred: Finance~~

House c.s./a

Finance

1 IN THE SENATE

BY THE ~~RESOURCES~~ COMMITTEE

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CS FOR SENATE BILL NO. 149

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to license and tag fees; and providing for an effective date."

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

* Section 1. AS 16.05.340(a) ^{(6) - (15) c.c.c.} is amended to read:

(a) Fees for licenses and tags are as follows:

- (1) Resident sport fishing license ~~\$5~~ / \$5
- (2) Resident hunting license ~~\$7~~ / \$7
- (3) (A) Resident hunting and trapping license ~~\$10~~ / \$10
- (B) Resident trapping license ~~\$3~~ / \$3
- (4) Resident hunting and sport fishing license ~~\$12~~ / \$12
- (5) Resident hunting, trapping, and sport fishing license ~~\$15~~ / \$15

However, the fee is \$1 for a resident who is blind.

However, the fee is 25 cents for the head of a family or a dependent member of his family or one solely dependent upon himself for support upon proof presented by the applicant that the applicant (A) is obtaining or has obtained assistance during the preceding six months under any state or federal welfare program to aid the indigent, or (B) has an annual family gross income of less than \$3,600 for the year preceding application.

(6) Visitor's special sport fishing license - valid for the 10-day period inscribed on the license [A PERIOD OF 10 DAYS AFTER DATE OF ISSUANCE] \$10 [\$ 5]

(7) Nonresident sport fishing license 20 [10]

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(8) Nonresident hunting license 20 [10]

(9) Nonresident hunting and sport fishing license 40 [20]

A nonresident may not take a big game animal without previously purchasing a numbered, nontransferable, appropriate tag, issued to him as provided in (16) of this section. The tag shall be affixed to the animal immediately upon taking and shall remain affixed until the animal is prepared for storage, consumed, or exported.

(10) Nonresident hunting and trapping license. . . \$200 [\$100]

(11) Repealed by sec. 2 ch. 32 SLA 1968

(12) Repealed by sec. 2 ch. 32 SLA 1968

Fur Dealer

(13) (A) Resident fur dealer [AND TAXIDERM] license 20

(B) Nonresident fur dealer license 100

Taxidermy

(14) (A) Resident [NONRESIDENT FUR DEALER AND] taxidermy license 50 [100]

(B) Nonresident taxidermy license 150

(15) Fish, fur or game farming license 100 [5]

** Sec. 2, AS 16.05, 34c(6)(16) is repealed and reconnected to read:*

(16) Nonresident big game tags:

all that tag

(C) ~~Black~~ Brown or grizzly, Bear, each 150 [~~75~~]

(D) ~~Black~~ Polar Bear, each 150

(A) ~~Black~~ Black bear, except blue color phase, [OR DEER, EACH] 75 [~~150~~]

(B) ~~Black~~ Black bear, blue (glacier) color phase 150

(E) - Bison, [OR MOOSE, OR SHEEP,] each 100 [~~150~~]

(F) Deer, each 25

(H) Elk, ~~or~~ [,] goats, [, OR CARIBOU] each 75 [~~25~~]

(I) ~~or~~ Moose, each 100

(J) ~~or~~ Sheep [WALRUS], each 150 [100]

(K) ~~or~~ Walrus 100

(F) ~~or~~ (M) Wolf or caribou each 50

(N) Wolverine, each 25

*Sec. 3. This Act takes effect January 1, 1973

STATE OF ALASKA

WILLIAM A. EGAN, GOVERNOR

DEPARTMENT OF FISH AND GAME

OFFICE OF THE COMMISSIONER

SUPPORT BUILDING
JUNEAU 99801

May 17, 1972

Jay Hogan, Fiscal Analyst
Division of Legislative Finance
Legislative Budget and Audit Committee
State Capitol, Pouch WF
Juneau, Alaska 99801

Dear Jay:

Nonresident License Fee Increases

From our telephone conversation this date I understand the House Finance Committee is hesitant to raise any resident license fees at this time. Therefore, as requested, I am submitting an alternate nonresident sport fish and game license fee increase. The following license fees reflect an increase of 100 per cent above the present rate.

In comparing the license fee ratio between resident and nonresident for the basic license, these fees represent 1:4 ratio for sport fishing and approximately 1:3 ratio for hunting, resident to nonresident.

We would recommend no changes in the nonresident big game tag fees from those quoted in our March 16, 1972 memorandum to Representative Hohman.

The nonresident license fees which are proposed and the additional revenue generated therefrom, assuming no adverse effect on the number of licenses sold, are based on the 1971 calendar year license sales and are as follows:

<u>Class</u>	<u>Type</u>	<u>Old/New Fee</u>	<u>Number Sold 1971</u>	<u>Gross Revenue 1971</u>	<u>Gross Revenue Projected</u>
6	Nonresident Sport Fish	5/10	17,662	88,310	176,620
7	Nonresident Sport Fish	10/20	18,405	184,050	368,100
8	Nonresident Hunting	10/20	8,033	80,330	160,660
9	Nonresident Hunting & Fishing	20/40	3,476	<u>69,520</u>	<u>139,040</u>
				422,210	844,420

We did not include the gross revenue projections for the nonresident big game tag fees quoted in our March 16, 1972 memorandum. The following table includes those projections, based on the 1971 calendar year tag sales:

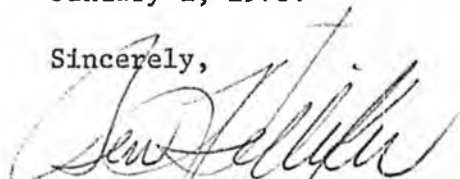
<u>Type</u>	<u>Old/New Fee</u>	<u>Number Sold 1971</u>	<u>Gross Revenue 1971</u>	<u>Gross Revenue Projected</u>
Brown-Grizzly Bear	75/150	767	57,525	115,050
Polar Bear (no change)	150/150	91	13,650	13,650
* Black Bear - Blue Color	10/150	10	100	1,500
Bison	50/100	0	0	?
Moose	50/75	2,904	145,200	217,800
Sheep	50/150	864	43,200	129,600
Walrus	100/100	14	1,400	1,400
** Black Bear	10/20	2,536	25,360	50,720
** Deer	10/20	798	7,980	15,960
** Elk	25/50	40	1,000	2,000
** Goat	25/50	520	13,000	26,000
** Caribou	25/50	3,421	85,525	171,050
			393,940	744,730

* Probably not more than 10 sold annually, now included in Black Bear, and the figures are not adjusted to show this species on current license fee information.

** These tags were not included in March 16 memorandum as no changes from CSSB 149 were recommended.

We would recommend that the effective date for any license increases would be January 1, 1973.

Sincerely,



Ben L. Hilliker
Deputy Commissioner

744,730
393,940

350,790
472,210

823,000

MEMORANDUM

State of Alaska

TO: The Honorable George Hohman,
Alaska State House of Representatives
State Capitol Building

DATE : March 20, 1972

FROM: Wallace H. Noerenberg
Commissioner
Department of Fish and Game

SUBJECT: CSSB 149 Revenue Projections

In accordance with your request of March 16, 1972, furnished herewith are revenue estimates for various versions of SB 149.

SB 149 (original bill) should increase revenue to the Fish and Game Fund by \$1,423,175

CSSB 149 (committee substitute for original bill) should increase revenue to Fish and Game Fund by \$1,983,258

CSSB 149 AM (committee substitute incorporating changes suggested by Department of Fish and Game) should increase revenue to the Fish and Game Fund by \$1,629,782

The projections shown above are in addition to revenues produced by sale of licenses at current fees.

If we may be of further service to you in this matter, please do not hesitate to contact us.

MEMORANDUM

State of Alaska

TO: The Honorable George Hohman
Chairman, House Finance Committee
Alaska State Legislature

Handwritten signature: Hilliker

DATE : March 16, 1972

FROM: Ben L. Hilliker
Acting Commissioner
Department of Fish and Game
Subport Building
Juneau

SUBJECT: Amendments to CS for SB 149

The Department of Fish and Game, in responding to your committee's request, would like to offer the following amendments to SB 149 which is presently before your committee:

Hunting and Sport Fishing License Fees:

- 1) Nonresident sport fishing license \$ 20.00
- 2) Nonresident hunting license \$ 20.00
- 3) Nonresident hunting and sport fishing license . . \$ 40.00
- 4) Nonresident big game tags:
 - a) Brown or grizzly bear, polar bear \$150.00 each
 - b) Black bear, blue (glacier) color phase. . . . \$150.00 each
 - c) Bison \$100.00 each
 - d) Moose \$ 75.00 each
 - e) Sheep \$150.00 each
 - f) Walrus. \$100.00 each

Our final suggested amendment is that this Act take effect on January 1, 1973.

cc: Sport Fish Division
Game Division

MEMORANDUM

State of Alaska

TO: The Honorable George Hohman
Chairman
House Finance Committee

DATE : February 10, 1972

FROM: Wallace H. Noerenberg *W. H. N.*
Commissioner
Department of Fish & Game

SUBJECT: CSSB 149 am

Earlier this week we noticed that House Finance Committee had scheduled consideration of CSSB 149 am but that this meeting was cancelled.

The provisions of this bill are critical with regard to the Fish and Game Fund programs of our Sport Fisheries and Game Divisions. It had been our intent to discuss the importance of this bill with your Committee during routine FY 72-73 budget analysis of the Sport Fisheries, Game and Protection Division's projects. Unfortunately, this review is still to take place and we are concerned that final action on the part of your Committee with regard to CSSB 149 am will be made before we can fully explain the factors involved.

During our first appearance before your Committee, we touched lightly on the provisions of this bill and the fact that a portion of the Protection Division program for FY 72-73 will be funded from the Fish and Game fund rather than the General Fund. This was not an issue last year, but now will have a serious impact on the Fish and Game Fund.

With these factors in mind, I am requesting your approval to testify on CSSB 149 am when you take this bill under consideration.

cc: Office of the Governor

MEMORANDUM

State of Alaska
DEPARTMENT OF FISH AND GAME

TO: Myrton R. Charney, Director
Division of Budget & Management
Department of Administration

DATE .. September 30, 1971

FROM: Wallace H. Noerenberg *W.H.N.*
Commissioner
Department of Fish and Game

SUBJECT: License Fees

In accordance with instructions contained in the letter from Governor Egan to me, dated July 8, 1971, I am submitting for your review and use the Department's report on the Issue of License Fees.

This report is presented in three sections:

1. Hunting License Fees
2. Sport Fish License Fees
3. Commercial Fish License Fees

Appended to this report is a copy of the report on "Nonresident hunting and Angling" by the Wildlife Management Institute.

*Kathleen Cotter
6-17-70*

SPORT FISH LICENSE FEES

Historical Data and Anticipated Trends

License fees are charged for the recreational pursuit of fishing in the state. The State license structure for sport fishing is segregated into seven classes.

<u>Class</u>	<u>Type</u>	<u>Cost/Calendar Year</u>
1	Resident sport fishing	\$ 5.00
4	Resident hunting & sport fishing	12.00 (\$5 S.F./ \$7 Hunt.)
5	Resident hunting-trapping-sport fishing	15.00 (\$5 S.F./ \$7 Hunt./ \$3 Trap.)
6	Nonresident visitor's special 10-day sport fishing	5.00
7	Nonresident sport fishing	10.00
9	Nonresident hunting & sport fishing	20.00 (\$10 S.F./ \$10 Hunt.)
05-25¢	Special resident fishing, hunting, trapping	.25

Although the State operates on a fiscal July 1 through June 30 period, the license period is on a calendar year (January 1 - December 31) basis. As discussions based on fiscal year license sales will include excessive duplication on the part of license holders, data presented here will be on a calendar year basis.

Present license fees were established by the 1959 Legislative Session (Ch. 94, SLA 1959) in anticipation of certification by the Secretary of the Interior, under provisions of the Alaska Statehood Act, that Alaska was capable of managing its fish and game resources within the state. Certification by the Secretary of the Interior was received, and this license fee structure was put into effect July 1, 1959. There have been no license fee adjustments for recreational sport fishing since that time, a period of 12 years.

Licensing prior to Statehood was governed by federal regulation. The Territory, during a short interim (the early 1950's), established recreational fishing tax that required an individual to purchase a Territorial sport fishing stamp (\$1) in addition to the federal license. A resume of sales of Territorial stamps is not readily available.

Regular State licensing began July 1, 1959. As licensing is conducted on a calendar year basis, anglers were required to pay a full fee for the first half year period. Because of accounting procedures, no accurate records of license sales or deposits on a calendar year basis by type of license is readily available for the period 7/1/59 - 12/31/60. Consequently, license data and sales are presented from calendar year 1961.

NOTE: Gross figures are shown. By law vendors are permitted a 5 percent commission on license sales. Therefore, calendar year deposits to the Sport Fish Fund are shown under net figures (Table 1).

Table 1 is based on calendar year figures. They do not and are not directly comparable to fiscal year license data or State of Alaska Annual Financial Reports. Fiscal license sales reports from the Department of Revenue include all incoming transactions (insofar as possible and practical) incurred during the given fiscal year period (Table 3). They do not normally reflect disbursement resulting from refunds for the purchase of duplicate licenses.

The Annual Financial Reports reflect transactions up to a specific cut-off date, often five to six days prior to the actual close of the fiscal period. Consequently, when viewing specific year figures against available documents, a resulting discrepancy may be noted.

During the period of record (exclusive of 1954 when the earthquake caused a decrease in sales) sport fish license sales had an increase from a low of 2 percent in 1962 to a high of 18 percent in 1968. From 1961 through 1970, sport fish license sales increased 104 percent.

The average annual increase during this ten-year period 11.6 percent. During the last four years of record (1966-1970), sport fish license sales increased 58.5 percent for an average annual increase of 14.6 percent.

TABLE 1. Calendar Year Sport Fish License Sales and Income by Class, 1961 - 1970.

	License Class*									
	Resident					Nonresident				Grand Total
	<u>401</u>	<u>404</u>	<u>405</u>	<u>5A</u>	<u>Total</u>	<u>406</u>	<u>407</u>	<u>409</u>	<u>Total</u>	
<u>1961</u>										
No. licenses sold	22,674	13,280	2,068	3,005	41,027	5,250	8,286	908	14,444	55,471
Gross \$ to SF Fund	113,370.00	66,400.00	10,340.00	250.32	190,360.32	26,250.00	82,860.00	9,030.00	118,190.00	308,550.32
Net \$ to SF Fund	107,350.37	62,833.52	9,824.55	238.91	180,247.25	24,851.11	78,542.64	8,603.71	112,012.45	292,259.71
<u>1962</u>										
No. licenses sold	23,669	13,470	1,848	2,925	41,912	5,605	8,252	926	14,783	56,695
Gross \$ to SF Fund	118,345.00	67,350.00	9,240.00	243.65	195,178.65	28,025.00	82,520.00	9,260.00	119,805.00	314,983.65
Net \$ to SF Fund	112,482.43	64,057.04	8,802.78	232.51	185,574.76	26,646.89	78,448.55	8,817.16	113,912.60	299,487.36
<u>1963</u>										
No. licenses sold	25,433	14,003	1,996	4,612	46,044	6,699	9,202	1,079	16,980	63,024
Gross \$ to SF Fund	127,165.00	70,015.00	9,920.00	384.18	207,544.18	33,495.00	92,020.00	10,790.00	136,305.00	343,849.
Net \$ to SF Fund	120,825.50	66,514.83	9,439.29	365.47	197,195.09	31,876.28	87,535.56	10,251.04	129,662.88	326,857.97
<u>1964</u>										
No. licenses sold	23,070	14,380	2,124	5,781	45,355	6,193	8,253	1,081	21,308	66,663
Gross \$ to SF Fund	115,350.00	71,900.00	10,620.00	421.55	198,351.55	30,965.00	82,530.00	10,810.00	124,305.00	322,656.55
Net \$ to SF Fund	109,725.36	68,352.04	10,085.23	457.44	180,620.07	29,436.74	78,485.49	10,269.42	118,191.65	306,211.72

TABLE 1 (Con't.) Calendar Year Sport Fish License Sales and Income by Class, 1961 - 1970.

	License Class*									
	Resident					Nonresident				Grand Total
	<u>401</u>	<u>404</u>	<u>405</u>	<u>5A</u>	<u>Total</u>	<u>406</u>	<u>407</u>	<u>409</u>	<u>Total</u>	
<u>1965</u>										
No. licenses sold	26,033	15,311	1,964	5,048	48,421	7,335	10,703	1,447	19,485	67,906
Gross \$ to SF Fund	130,490.00	76,555.00	9,820.00	420.50	207,553.70	35,680.00	107,000.00	14,470.00	158,150.00	365,713.70
Net \$ to SF Fund	123,960.50	72,673.92	9,312.78	399.33	206,346.53	34,846.39	101,645.69	13,712.41	150,204.49	356,551.02
<u>1966</u>										
No. licenses sold	28,490	14,918	2,215	4,654	50,287	8,947	10,369	1,670	20,986	71,273
Gross \$ to SF Fund	142,450.00	74,590.00	11,075.00	388.51	228,503.51	44,735.00	103,620.00	16,700.00	165,125.00	393,628.51
Net \$ to SF Fund	135,169.30	70,813.47	10,512.49	367.95	216,853.21	42,399.35	100,979.25	15,824.95	159,203.55	376,056.76
<u>1967</u>										
No. licenses sold	28,619	15,226	2,156	4,356	50,357	11,554	13,220	1,820	26,954	76,951
Gross \$ to SF Fund	143,095.00	76,130.00	10,780.00	362.85	230,357.85	57,770.00	132,200.00	18,200.00	208,170.00	438,527.85
Net \$ to SF Fund	136,005.63	72,327.63	10,233.85	342.35	218,910.46	55,015.96	125,769.65	17,303.50	198,089.11	416,999.57
<u>1968</u>										
No. licenses sold	33,511	17,521	2,390	4,919	58,341	14,031	15,820	2,370	32,221	80,562
Gross \$ to SF Fund	167,555.00	87,605.00	11,950.00	409.75	267,519.75	70,155.00	158,200.00	23,700.00	252,055.00	519,574.75
Net \$ to SF Fund	159,251.49	83,287.05	11,355.92	390.01	254,284.47	66,700.59	150,333.29	22,523.82	239,557.70	493,842.17

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TABLE 1 (Con't.) Calendar Year Sport Fish License Sales and Income by Class, 1961 - 1970.

	License Class*									
	Resident					Nonresident				Grand Total
	<u>401</u>	<u>404</u>	<u>405</u>	<u>5A</u>	<u>Total</u>	<u>406</u>	<u>407</u>	<u>409</u>	<u>Total</u>	
<u>1969</u>										
No. licenses sold	35,581	10,944	2,935	5,085	62,545	16,499	17,553	2,725	36,777	99,322
Gross \$ to SF Fund	177,905.00	94,720.00	14,675.00	423.58	287,733.58	82,495.00	175,530.00	27,250.00	285,275.00	573,008.58
Net \$ to SF Fund	168,973.12	99,016.29	13,961.93	402.70	273,354.04	78,368.20	166,770.74	25,854.06	270,993.00	544,347.04
<u>1970</u>										
No. licenses sold	39,442	22,951	3,955	5,359	71,707	17,387	20,790	3,506	41,683	113,390
Gross \$ to SF Fund	197,210.00	114,755.00	19,775.00	446.40	332,186.40	95,935.00	207,900.00	35,060.00	329,895.00	662,081.40
Net \$ to SF Fund	187,709.25	109,140.75	18,796.21	424.17	316,078.38	82,624.09	197,753.22	33,298.88	313,736.19	629,814.57

<u>*Class</u>	<u>Title</u>
401	Resident sport fishing
404	Resident hunting and sport fishing
405	Resident hunting-trapping-sport fishing
5A	Special 25¢ resident fishing, hunting, trapping
406	Nonresident visitor's special 10-day sport fishing
407	Nonresident sport fishing
409	Nonresident hunting & sport fishing

The general trend for resident and nonresident sales is as follows:

Resident Sport Fish Sales:

Resident license sales increased 74.4 percent from 1961 to 1970 with a net increase of \$138,013 to the Sport Fish Fund. The average annual increase in license sales during this nine-year period is 8.3 percent, with an average annual net increase to the Sport Fish Fund of \$15,000.

During the last four years of record, resident license sales increased 42.6 percent for an average annual increase of 10.7 percent. The net increase to the Sport Fish Fund was \$99,219 for an average annual increase of \$24,800.

Nonresident Sport Fish Sales:

Nonresident license sales increased 188.6 percent from 1961 to 1970 for a net increase to the Sport Fish Fund of \$201,724. The average annual increase during this nine-year period is 21 percent for a net increase to the Sport Fish Fund of \$22,400 per year.

During the last four years of record, nonresident license sales increased 96.1 percent for an average annual increase of 24 percent. This reflects a net increase to the Sport Fish Fund of \$154,533 with an average annual increase of \$38,600.

As stated in "Economic Outlook for Alaska" (1971) 46 percent of the visitors were attracted to the state because of sport fishing opportunities, and 40 percent made return trips because of the recreational fishing available. This study also found that the group of visitors making the greatest per capita dollar contribution to the State, is sport hunters and fishermen.¹

The findings in the "Economic Outlook for Alaska" is reflected in sport fish license sales. The increase of visitors to the state is reflected in the

¹Federal Field Committee for Development Planning in Alaska. 1971. 392 pp.

trend of changing ratios between resident and nonresident license sales. In 1961 the ratio was 2.9:1 (resident:nonresident). In 1970 the ratio changed to 1.7:1. The basic trend during the past five years reflects non-resident licensed anglers increasing by approximately 5,000 individuals per year.

Legislation is presently pending (CSSB 149) for a sport fish license fee increase. Should this legislation be enacted and should license sales remain at the previous year sale estimates (no decrease in sales in spite of fee increase), then annual projections will be reflected according to Table 2. Due to calendar year licensing and fiscal reporting for budgetary purposes, the first full year under a new fee system would be fiscal year 1974. Projections indicate an increase to the Sport Fish Fund in excess of \$900,000 in this first full year. This increase presupposes no license sales decreases due to fee increases. It is reasonable to assume that there will be sales decreases especially in the nonresident full fee licenses. Obviously many nonresidents will not pay \$25 per license to sport fish for each member in a family for sport fishing. In any event, even if license sales decrease, it would be safe to assume that a substantial overall increase will result due to the increased costs on the licenses that are sold.

CSSB 149 would adjust the sport fish (only) license fees as follows:

<u>Class</u>	<u>Type</u>	<u>Cost</u>	
1	Resident sport fishing	\$ [5]	\$ <u>10</u>
4	Resident hunting and sport fishing*	[5]	<u>10</u>
5	Resident hunting-trapping-sport fishing*	[5]	<u>10</u>
6	Nonresident visitor's special 10-day sport fishing	[5]	<u>10</u>
7	Nonresident sport fishing	[10]	<u>25</u>
9	Nonresident hunting and sport fishing*	[10]	<u>25</u>

*Sport fish fee only---does not include hunting fee.

TABLE 2. Projected License Sales Net Receipts to the Sport Fish Fund, Fiscal Years 1972 - 1981.

Fiscal Year	At Present Fee			With Fee Increase - CSSB 149		
	Resident	Nonresident	Total	Resident	Nonresident	Total
1972	\$335,900	\$335,900	\$ 647,700	\$ --	\$ --	\$ --
1973	353,400	379,000	737,400	--	--	--
1974	382,400	424,400	806,800	772,100	1,005,400	1,777,500
1975	408,000	475,200	883,200	824,000	1,125,200	1,949,200
1976	435,400	532,400	967,800	879,400	1,259,200	2,139,200
1977	464,700	596,600	1,061,300	933,400	1,411,200	2,349,600
1978	496,000	669,600	1,165,600	1,001,400	1,581,600	2,583,000
1979	529,400	752,000	1,281,400	1,068,700	1,773,500	2,842,200
1980	565,100	844,900	1,410,000	1,140,500	1,989,600	3,130,100
1981	603,200	949,800	1,553,000	1,217,300	2,233,100	3,450,400

The Department's budgetary demands, created predominately by the requirements of the Division of Sport Fish, against the Sport Fish portion of the dedicated Fish and Game Fund, are shown in Table 3. The Sport Fish portion of the Fish and Game Fund has shown gradual increases in year-end cash balances through the first decade as maximum utilization was being made of federal matching programs, Federal Aid In Fish Restoration (Dingell-Johnson) and the Anadromous Fish Act. The federal aid programs, though generally increasing throughout the years since 1953, have remained relatively stable for the past few years. Un-appropriated federal funds from past years have now been utilized completely, and the federal matching programs are now operating at current maximum funding levels. For the past six years the general budgetary procedure against the federal apportionment has been in excess of fund balances necessitating federal program approval contingent upon availability of new funds allocated each July 1 as a preliminary apportionment to the State. Consequently, the present programs are now using more State funding than in the past, with the result that State cash balances in the dedicated funds are being gradually reduced. A sport fish license fee increase in the magnitude of that proposed by CSSB 149 will provide the funds necessary to match all available federal monies and further provide the additional funding for maintaining a viable Sport Fish program through the next several years.

In 1967 the Sport Fish Division conducted an angler economic survey. Results of this survey indicate that approximately 43.8 percent of the anglers participating in the harvest of the recreational fish resources are unlicensed juveniles (no license is required for persons under 16 years of age). This percentage has been prorated back through the years of record. It was estimated that in 1961 there were in excess of 24,300 unlicensed juvenile anglers fishing in Alaska. By 1970 this figure had exceeded 47,800 (an increase of 78.5 percent).

Today's juvenile anglers are well off compared to those of former years. It is important to indicate that at age 12 they must pay full fare for most tickets on commercial carriers, and the change from half to full fare at movie and spectator sporting events generally occurs at this age. There appears to be little if any impact on their participation, however, as the commercial carriers, movies, and sporting events are still well patronized by teenagers.

Angling is one of the few activities where teenagers above age 12 still enjoy a special exemption. In angling they are still taking a "free ride" as shown by

TABLE 3. Sport Fish Fund Transactions, Fiscal Years 1961 thru 1973.

		Sport Fish Fund Cash Balance
Cash Balance 6/30/60		\$ 189,293.90
FY'61 Transactions:		
Receipts:		
Licenses	\$ 348,421.74	
Fed. reimbursement & other	<u>170,654.01</u>	
		\$ 519,075.75
Expenditures		<u>(339,971.34)</u>
Increase (Decrease) in fund		<u>129,104.41</u>
Cash Balance 6/30/61		\$ 318,398.31
FY'62 Transactions:		
Receipts:		
Licenses	\$ 311,062.83	
Fed. reimbursement & other	485,222.31	
Transfer of DJ fund acct.	<u>79,345.58</u>	
		\$ 876,230.77
Expenditures		<u>(658,058.27)</u>
Increase (Decrease) in fund		<u>218,172.50</u>
Cash Balance 6/30/62		\$ 536,570.81
FY'63 Transactions:		
Receipts:		
Licenses	\$ 307,345.66	
Fed. reimbursement & other	<u>242,231.66</u>	
		\$ 549,577.32
Expenditures		<u>(512,538.67)</u>
Increase (Decrease) in fund		<u>37,038.65</u>
Cash Balance 6/30/63		\$ 573,609.46
FY'64 Transactions:		
Receipts:		
Licenses	\$ 262,934.50	
Fed. reimbursement & other	<u>429,105.64</u>	
		\$ 692,040.14
Expenditures		<u>(648,431.26)</u>
Increase (Decrease) in fund		<u>43,608.88</u>
Cash Balance 6/30/64		\$ 617,218.34

TABLE 3 (Con't.)-Sport Fish Fund Transactions, Fiscal Years 1961 thru 1973.

		<u>Sport Fish Fund Cash Balance</u>
Cash Balance 6/30/64 carried forward		\$ 617,218.34
FY'65 Transactions:		
Receipts:		
Licenses	\$ 306,565.12	
Fed. reimbursement & other	<u>338,210.18</u>	
		\$ 644,775.30
Expenditures		<u>(512,364.40)</u>
Increase (Decrease) in fund		<u>132,410.90</u>
Cash Balance 6/30/65		\$ 749,629.24
FY'66 Transactions:		
Receipts:		
Licenses	\$ 424,650.24	
Fed. reimbursement & other	<u>343,527.41</u>	
		\$ 768,177.65
Expenditures		<u>(613,665.27)</u>
Increase (Decrease) in fund		<u>154,512.38</u>
Cash Balance 6/30/66		\$ 904,141.62
FY'67 Transactions:		
Receipts:		
Licenses	\$ 406,004.91	
Fed. reimbursement & other	<u>379,550.11</u>	
		\$ 785,555.02
Expenditures		<u>(640,414.02)</u>
Increase (Decrease) in fund		<u>145,141.00</u>
Cash Balance 6/30/67		\$1,049,282.62
FY'68 Transactions:		
Receipts:		
Licenses	\$ 415,029.37	
Fed. reimbursement & other	<u>384,441.23</u>	
		\$ 799,470.60
Expenditures		<u>(690,447.65)</u>
Increase (Decrease) in fund		<u>109,022.95</u>
Cash Balance 6/30/68		\$1,158,305.57

TABLE 3 (Con't.) Sport Fish Fund Transactions, Fiscal Years 1961 thru 1973.

		<u>Sport Fish Fund Cash Balance</u>
Cash Balance 6/30/68 carried forward		\$1,158,305.57
· FY'69 Transactions:		
Receipts:		
Licenses	\$ 575,584.28	
Fed. reimbursement & other	<u>358,620.02</u>	
		\$ 934,204.30
Expenditures		<u>(895,390.86)</u>
Increase (Decrease) in fund		<u>38,813.44</u>
Cash Balance 6/30/69		\$1,197,119.01
FY'70 Transactions:		
Receipts:		
Licenses	\$ 579,521.16	
Fed. reimbursement & other	<u>546,432.60</u>	
		\$1,125,953.76
Expenditures		<u>(1,374,470.27)</u>
Increase (Decrease) in fund		<u>(248,516.51)</u>
Cash Balance 6/30/70		\$ 948,602.50
Estimated change in FY'70 cash balance on completion of all outstanding projects and collection of outstanding receivables		<u>(47,346.02)</u>
Adjusted 6/30/70 Cash Balance		\$ 901,256.48
FY'71 Transactions (estimated):		
Receipts:		
Licenses	\$ 622,900	
Fed. reimbursement & other	<u>591,571</u>	
		\$1,214,471
Expenditures		<u>(1,262,427)</u>
Increase (Decrease) in fund		<u>(47,956)</u>
Cash Balance 6/30/71 (estimated)		\$ 853,300
FY'72 Transactions (estimated):		
Receipts:		
Licenses	\$ 674,700	
Fed. reimbursement & other	<u>693,373</u>	
		\$1,368,073
Expenditures		<u>(1,597,024)</u>
Increase (Decrease) in fund		<u>(238,951)</u>

TABLE 3 (Con't.) Sport Fish Fund Transactions, Fiscal Years 1961 thru 1973.

		<u>Sport Fish Fund Cash Balance</u>
Cash Balance 6/30/72 (estimated)		\$ 614,349
FY'73 Transactions (estimated)		
Receipts:		
Licenses	\$ 736,400	
Fed. reimbursement & other	<u>1,011,600</u>	
	\$1,748,000	
Expenditures		<u>(1,994,000)</u>
Increase (Decrease) in fund		<u>(246,000)</u>
Cash Balance 6/30/73 (estimated)		\$ 368,349 *

*May reflects an overstatement of revenue due to nonconsideration of reimbursements for duplicated licenses; closing of fund accounts prior to actual year-end final deposits, etc.

a 1970 State Licensing Survey compiled by the Bureau of Sport Fisheries and Wildlife.

The minimum age at which a resident license is required for two states (Michigan and Texas) is 17. Thirty states first require a fishing license at the age of 16 (Alabama, Alaska, Arkansas, California, Connecticut, Georgia, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Minnesota, Mississippi, Nebraska, New Hampshire, New York, North Carolina, North Dakota, Ohio, Oklahoma, Pennsylvania, Rhode Island, South Dakota, Tennessee, Virginia, Washington, and Wisconsin).

The age of 15 is old enough for teenagers to purchase licenses in eight states (Colorado, Delaware, Florida, Massachusetts, Montana, Vermont, and West Virginia). A license is required at age 14 in six states (Arizona, Idaho, New Jersey, New Mexico, Oregon, and Wyoming). Three states (Nevada, South Carolina, and Utah) require a license at the age of 12, while in Hawaii a license is required at nine years of age.

Many states, especially those that require licensing of the younger residents, offer a special "cut rate" for juvenile fishermen. These states are Hawaii, Massachusetts, Nevada, Oregon, Utah, and Wyoming. The special license furnishes a little revenue for the fish and game departments. Principally, it instills a feeling of resource responsibility and participation in resource management at reasonably impressionable age levels.

License fee or age differentials for nonresident juvenile anglers also exists in some states. Thirteen states (Iowa, Maine, Maryland, Massachusetts, Nevada, Mississippi, New Mexico, North Carolina, North Dakota, Oklahoma, Oregon, Pennsylvania, and Utah) require a license at an earlier age for nonresidents than for resident juvenile anglers. In five states (Massachusetts, Nevada, Oregon, Utah, and Wyoming) the cost of a juvenile angling license is higher for nonresidents than for residents. In three states (Kansas, Virginia, and West Virginia) nonresidents, regardless of age, pay full license fee.²

²The above information was taken from prior surveys. Recent legislation by the states may have altered the licensing structure for juveniles in some of them.

Funding Alternatives:

1. The existing 25¢ license is not realistic in the State Fish and Game/ Revenue structure. Discussions with representatives of the Department of Revenue indicate that apparent wide-spread abuse and misuse of the 25¢ license is occurring in many areas of the state. If this license must be retained, consideration should be given to having this license administered through the Department of Health and Social Services to meet full welfare criteria.

SB 203 attempts to deal with this problem by raising the 25¢ license fee to \$5. If all else fails, this legislation should be supported.

2. CSSB 149 may go too far in nonresident sport fishing fees in the area of a full year license. Most of the western states are in the \$15 non-resident annual fee bracket. Some of these states have had this fee structure for some time and may be thinking of fee increases, but for Alaska, to jump to \$25 may be too progressive at this time. Many tourists normally spend two to three weeks in the state; some of them will not spend \$25 per person to fish. As noted previously, 46 percent of the tourists are attracted to Alaska because of the sport fishing opportunities, and 40 percent make return trips because of the recreational fishing available. A \$10 resident fee and a \$20 nonresident fee appear reasonable.
3. The adjustments in the current visitor's special 10-day sport fishing license to \$10 (\$1 per day) appears reasonable (CSSB 149).

Additional Funding Sources:

The following areas are presented for consideration as alternative sources of funding in relation to the recreational fisheries. Although some of these methods have been and are presently being used by some of the other states, the approach is somewhat foreign to long-term Alaska residents. In essence, the following alternatives suggest special fees for specific fisheries.

1. The Division of Sport Fish presently issues a freshwater Cook Inlet King Salmon punch card. This punch card is specific to the Cook Inlet

area and is essentially used to get an accurate determination of the harvest of king salmon over 20 inches in length. The present regulations permit only two salmon over 20 inches in length to be taken by an angler during an entire season. Approximately 15,000 such punch cards are issued annually. A charge could be made for issuance of this card. Two dollars would appear reasonable.

2. Another alternate funding source is the issuance of a salmon/steelhead punch card. This punch card would be used statewide in fresh and salt water. Each card would be good for 20 fish and would be obtained at a cost of \$5. The angler may purchase as many cards as he wishes.
3. There are quite a few sport fishing salmon derbies being conducted within the state. The popularity of the derbies and the activation of derbies long since gone speaks well for the economic value of such activities within the various communities. It would seem timely that consideration be given to a charge for each salmon derby permit issued. A fee of up to \$1,000 might be appropriate.
4. As tourism and the desires of the public to participate in recreational angling grows, the state can witness more and more sport fish charter boats. Consideration should also be given to the possibility of a sport fish charter boat registration permit for all vessels used for hire of 20 feet and over in length. Fees for such a permit could go as high as \$100.
5. It is well to consider the juvenile role and his impact on the fishery resources. A token or juvenile license at the age of 12 is not excessive, and at least by the age of 14, a teenager should be ready to commence assuming responsibility for his share of the load for the support of his fishing. It is recommended that consideration be given to the question of licensing juvenile anglers. It is suggested that a juvenile license be provided for persons between the ages of 12 and 16 to be one-half the normal fee of the license class for which the individual qualifies (e.g., resident juvenile would be one-half the resident full fee license. The

nonresident juvenile would be one-half the nonresident full fee license.) Should the license structure be such that the juvenile license on the one-half full fee formula becomes a part of a dollar, then the juvenile license fee should be raised to the highest whole dollar.

Pending Legislation:

CSHB 122: Among other things, this bill provides for a \$1 resident sport fishing license for persons over 65 (combination license would still cost \$1 for the sport fishing portion).

In 1970 approximately 943 residents indicated their age as being 65 or older. It can be assumed that some portion of those who did not indicate their age (there were approximately 103 residents who did not) also fall into the 65 or over age bracket.

Passage of CSHB 122 could result in a gross revenue decrease of approximately \$3,976, presently disregarding effects that might result from manipulations in the 25¢ license fee category.

HB 291: This bill provides for an increase of 5 percent in vendor commissions for selling licenses; present commission is 5 percent. The net amount given to the Fish and Game Fund would be reduced by an additional 5 percent if this bill is passed.

CSSB 14: This bill is similar to CSHB 122.

CSSB 149: License fee increase re sport fishing is discussed in text.

SB 203: This bill would raise the fee for low income persons from 25¢ to \$5. We should support any legislation that removes or at least modifies the 25¢ license.

Note: Sec. 16.05.660 is being amended in this bill. It becomes opportune to amend the word [pickere] to pike.

SB 205: This bill proposes a fee for duplicate licenses. We should support this legislation.

Department of Revenue - Proposed Legislation:

Legislation proposed by the Department of Revenue contains only one piece that is specifically sport fish oriented. This is a proposed bill that would provide for the issuance of a sport fishing permit to persons in the custody of State correctional and mental institutions for rehabilitation purposes.

This has been an area of concern to the Department of Fish and Game for some time. This legislation, if processed, would cover this awkward area and still permit the Department to maintain full control. We should support this proposal.

APPENDIX A. Projected Estimated Balance of the Sport Fish Portion of the Fish and Game Fund FY'73-'77 Under the Present License Fee Structure.

<u>Fiscal Year</u>	<u>Beginning Balance (Thousands)</u>	<u>Net Receipts (without increase)</u>	<u>Budget Requests</u>	<u>Estimated Ending Balance</u>
1973	368.3	737.4	(886.4)	219.3
1974	219.3	806.8	(1,005.8)	20.3
1975	20.3	883.2	(1,111.8)	(208.3)*
1976	(208.3)	967.8	(1,128.8)	(369.3)**
1977	(369.3)	1,061.3	(1,179.4)	(487.4)***

*Assuming that no General Fund monies or an increase in license fees are available, the Sport Fish Division will drop specific projects in management, restoration, and research as follows:

1. Interior (Fairbanks)
 - a. Lake rehabilitation to rear trout.
 - b. Lake development to rear sheefish.
 - c. Sport fish inventory surveys at Ilome, upper Tanana River watershed, and lower Kuskokwim watershed.
 Total--\$60,000.
2. Southeast Alaska
 - a. Lake and streamside rearing ponds to rear salmon and steelhead at Sitka, Ketchikan, and Petersburg.
 Total--\$75,000.
3. Southcentral (Kenai Peninsula)
 - a. Public access purchase and site development.
 Total--\$60,000.

**Assuming similar financial conditions in FY'76 as FY'75, the Sport Fish Division will drop the following specific projects:

1. Southcentral
 - a. Land access purchase and site development, Hat-Su Valley.
Cost--\$30,000.
 - b. Matanuska Valley sport fish lake restoration to rear trout.
Cost--\$10,000.
 - c. Restoration investigations of the Little Susitna River watershed to enhance coho and king salmon and steelhead trout.
Cost--\$15,000.
 - d. Lake rehabilitation (15 lakes) within the Nancy Lake State Recreation Area.
Cost--\$75,000.
 - e. Glennallen area lake rehabilitation (3 lakes).
Cost--\$6,000.

***As in FY'75 and FY'76, the Sport Fish Division will drop the following specific projects in FY'77.

1. Kodiak
 - a. Lake rehabilitation (3 lakes) to rear trout and salmon.
Cost--\$15,000.

 2. Statewide
 - a. Life history investigations: Arctic char (North Slope); northern pike (Tanana River, Fairbanks); steelhead/cutthroat (Southeast); king salmon (Cook Inlet and Southeast).
Cost--\$140,000
-

APPENDIX B. Projected Estimated Balance of the Sport Fish Portion of the Fish and Game Fund, FY'73 - FY'77, Assuming that CSSB 149 is Approved to Increase the Sport Fishing License Fees.

<u>Fiscal Year</u>	<u>Beginning Balance</u>	<u>Receipts w/increase</u>	<u>Request</u>	<u>Ending Balance</u>
1973	368.3	737.4	(886.4)	219.3
1974	219.3	1,777.5	(1,005.8)	991.0
1975	991.0	1,949.2	(1,111.8)	1,828.4
1976	1,828.4	2,139.2	(1,126.8)	2,840.8
1977	2,840.8	2,349.6	(1,179.4)	4,011.0

HUNTING LICENSE FEES
HISTORICAL DATA AND ANTICIPATED TRENDS

License fees are charged for the recreational pursuit of game in Alaska for both resident hunters and nonresident hunters. In addition to the license fees, nonresident hunters must also purchase big game tags for each species hunted. No big game tags are required of resident hunters with one exception, the muskox.

The license and tag fees are as follows:

a) Resident hunting license	\$ 7.00
b) Resident hunting & trapping license	10.00
c) Resident trapping license	3.00
d) Resident hunting and sport fishing license	12.00 - (\$7 hunting, \$5 S. fishing)
e) Resident hunting, trapping & sport fishing license	15.00 - (\$7 hunting, \$3 trapping, \$5 S. fishing)
f) Nonresident hunting license	10.00
g) Nonresident hunting & sport fishing license	20.00 - (\$10 hunting, \$10 fishing)
h) Nonresident hunting & trapping license	100.00
i) Resident fur dealer & taxidermy license	20.00
j) Nonresident fur dealer & taxidermy license	100.00
k) Fish, fur or game farming license	5.00
l) Nonresident big game tags:	
1) brown or grizzly bear	75.00@
2) polar bear	150.00@
3) black bear, deer	10.00@
4) bison, moose, sheep	50.00@
5) walrus	100.00@
6) elk, goat, caribou	25.00@
7) muskoxen	1,000.00@

m) Resident big game tags:

1) muskoxen	\$500.00@
Special resident fishing, hunting & trapping	.25

The state operates on a fiscal year basis. However, the hunting licenses are issued on a calendar year basis. Inasmuch as a discussion based on fiscal year license sales would probably result in duplication, data is presented on the license period; or calendar year.

In anticipation of certification by the Secretary of the Interior, under provisions of the Alaska Statehood Act, that Alaska had made the necessary preparations for managing its fish and game resources, the legislature (1959 session) established license fees for the taking of fish and game; these fees went into effect July 1, 1959. No changes in license fees have been made since that time except for the addition of the tag fees for muskox, enacted by the 1969 session of the legislature.

Prior to statehood, fish and game was managed by the Bureau of Sports Fisheries and Wildlife and the Alaska Game Commission. Licensing of hunters was a function of the federal government and records are not available in such receipts prior to statehood.

State licensing began on July 1, 1959, but due to accounting procedures, no accurate records of license sales or deposits on a calendar year basis by type of license are readily available for the period of 7/1/59-12/31/60. Therefore, license data and sales are presented here, commencing with the calendar year 1961.

Remember too, that vendors are permitted a 5 percent commission on license sales, therefore, deposits to the fish and game fund are actually "net" figures.

From 1961 through 1970 hunting license and tag sales in net revenue to the game fund have increased 121 percent; or approximately 12.1 percent per year.

*8 1/4 % per year
compounded*

TABLE I CALENDAR YEAR GAME LICENSE & TAG SALES & INCOME TO GAME FUND BY CLASS 1961-1970

	LICENSE CLASS								Grand Total	
	RESIDENT				NON-RESIDENT					
	402	403	404	405	408	409	410	405		
<u>1961</u>										
No. Licenses Sold	17,667	1,504	13,280	2,068	3,028	908	4	3,005		
Non-resident Tags					Not recorded				120,862.03	
Net \$ to Game Fund	116,571.62	10,056.72	87,966.84	13,754.41	28,527.08	8,608.71	36.69	334.40	265,856.47	
	34,519.90	\$ 228,347.59	86% - lic. 59% - total		3,946	\$ 37,171.48			<u>386,718.50</u>	
<u>1962</u>										
No. Licenses Sold	18,135	1,156	13,470	1,848	3,018	926	2	2,925		
Non-resident Tags					*3,701				127,532.99	
Net \$ to Game Fund	120,925.33	7,726.65	86,679.88	12,323.95	28,724.65	28,724.65	19.10	325.55	268,542.27	
	34,609.92	\$ 227,653	(45%) (59%)		3,946				<u>396,075.26</u>	
<u>1963</u>										
No. Licenses Sold	19,396	1,058	14,003	1,996	3,755	1,079	8	4,612		
Non-resident Tags					*4,351				144,826.54	
Net \$ to Game Fund	128,874.71	7,050.38	93,120.73	13,285.29	35,645.52	10,251.04	76.09	511.76	288,815.52	
	36,453	\$ 242,329			4,842	45,972			<u>433,642.06</u>	
<u>1964</u>										
No. Licenses Sold	17,956	943	14,380	2,124	3,919	1,081	8	5,781		
Non-resident Tags					*4,896				174,032.69	
Net \$ to Game Fund	119,292.51	6,950.07	Figures for net amount to Game Fund not available							311,240.63
	35,403	126,742	(7)		5,008	(7)			<u>485,273.32</u>	
<u>1965</u>										
No. Licenses Sold	19,562	830	15,311	1,964	4,834	1,447	7	5,048		
Non-resident Tags					*6,387				224,660.25	
Net \$ to Game Fund	129,982.26	5,572.78	101,743.48	13,037.91	45,918.29	13,712.41	66.70	66.70	310,532.97	
	37,667	252,334			6,786	59,696			<u>535,193.22</u>	
<u>1966</u>										
No. Licenses Sold	18,115	828	14,918	2,215	5,116	1,670	9	4,664		

Non-resident Tags					*7,597				274,878.60
Net \$ to Game Fund	119,823.61	5,550.63	99,138.78	14,717.50	48,381.70	15,824.95	84.51	515.14	304,036.82
		36,086	239,228		6,795	64,289			<u>578,915.42</u>

<u>1967</u>									
No. Licenses Sold	17,068	732	15,226	2,156	5,893	1,820	4	4,354	288,466.96
Non-resident Tags					*8,640				307,840.85
Net \$ to Game Fund	113,536.04	4,863.45	101,258.69	14,327.38	56,031.50	17,303.50	38.17	482.60	<u>349,777.51</u>
		35,182	237,981		7,717	73,572			

<u>1968</u>									
No. Licenses Sold	19,338	728	17,521	2,390	6,815	2,370	14	4,919	329,151.60
Non-resident Tags					*9,814				353,971.82
Net \$ to Game Fund	128,631.18	4,845.99	116,595.89	15,899.89	64,795.35	22,523.82	133.60	546.10	<u>683,123.42</u>
		39,977	265,920		9,199	87,451			

<u>1969</u>									
No. Licenses Sold	20,925	909	18,944	2,935	7,817	2,725	18	5,085	365,512.02
Non-resident Tags					*11,055				391,649.86
Net \$ to Game Fund	139,137.78	6,036.82	126,022.82	19,546.69	74,316.16	25,854.06	171.73	563.80	<u>757,161.83</u>
		43,113	290,741		10,960	100,341			

<u>1970</u>									
No. Licenses Sold	22,148	1,042	22,951	3,955	9,004	3,506	9	5,359	402,749.28
Non-resident Tags					*12,602				452,619.84
Net \$ to Game Fund	147,157.43	6,922.41	152,808.14	26,314.66	85,439.23	33,298.88	85.22	593.87	<u>855,369.12</u>
		50,096 (10%)	333,201 (74%)		17,179	118,822			

* Class 416

+ 45%

+ 46%

+ 212%

+ 220%

+ 241%

+ 220%

This has ranged from a low of 2.4 percent increase in 1962 to 14.6 percent increase in 1968.

The greatest rate of increase has been nonresident big game tag sales. These have increased from net sales in 1961 of \$120,862.03 to net sales in 1970 of \$402,749.28. The resident license net sales have increased from \$265,856.47 in 1961 to \$452,619.84 in 1970. These increases represent a 233 percent increase for nonresident sales as compared to a 70 percent increase for resident sales.

A significant portion of the annual Game Division program funding is derived from the Federal Aid to Wildlife Restoration Act, or the "Pittman-Robinson Act." This act, passed in 1937 by the United States Congress, placed an 11 percent tax on the sale of all sporting arms and ammunition.

These funds are apportioned to the individual states on the basis of the size of the state and the number of licenses sold. Inasmuch as Alaska is the largest state, even though the number of licenses sold is small, we, along with several other states, receive the largest authorized annual apportionment allowed by the Act.

In order to utilize these federal monies the state must match the federal money on a 1:3 ratio by money from the fish and game fund.

The following table indicates the apportionment received each fiscal year since 1960, and the amount that was not matched by state funds, thereby reverted to the federal government. All reverted funds are utilized by the Bureau of Sports Fisheries and Wildlife for wetlands acquisition. The state has a two year period to fully utilize these funds before they are reverted.

(see Table II)

Table II Status of Federal Aid to Wildlife Funds

<u>P.R. Fund Apportioned</u>		<u>P.R. Funds Reverted</u>
<u>FY</u>		
1960	\$ 790,000 (7/1/59-6/30/60)	\$ 15,435.06
1961	735,100	-0-
1962	698,500	150,323.16
1963	695,100	177,279.10
1964	781,395	70,350.00
1965	835,250	179,035.00
1966	960,300	193,422.36
1967	1,085,600	169,591.00
1968	1,316,000	107,285.00
1969	1,514,500	-0-
1970	1,582,250	-0-
1971	1,538,500	-0-

In FY 1969 all of the federal money available to the state was matched and we have continued to do so each year since that time.

The federal apportionment has "leveled off" since FY 70 and we do not anticipate any appreciable increase in the amount apportioned in the near future. Therefore, if the current level of game division programs and activities are maintained, and the cost of doing business continues to increase at the present level, a greater proportion of the funding will probably have to be provided by state funds.

Fiscal year 1972 will require the expenditure of all license fees received in order to maintain our present level of service. If license sales continue to increase an average of 12 percent per year as has been the case since 1961, the expenditure of all license monies received will barely maintain our present program level. It will not provide for any expansion of the program as probably will be required by the projected growth in Alaska's population.

Two alternatives are available to increase the necessary state funds which will allow a moderate increase in game division programs and services, and also keep up with the demands created by the projected growth in population of the state: 1) the allocation of state general funds from the treasury, or 2) an

TABLE III PROJECTED LICENSE SALES (Net Receipts to the Game Fund) CALENDAR YEARS 1972-1981

CALENDAR YEAR	AT PRESENT FEE			WITH FEE INCREASE - CSSB 149		
	RESIDENT	NONRESIDENT	TOTAL	RESIDENT	NONRESIDENT	TOTAL
1972	484,302	496,589	980,891			
1973	515,985	590,429	1,106,414			
1974	547,668	684,269	1,231,937	904,645	744,518	1,649,163
1975	579,351	778,109	1,357,460	967,970	917,990	1,885,960
1976	611,034	871,949	1,483,008	1,031,295	1,091,462	2,133,757
1977	642,717	965,789	1,608,506	1,094,620	1,264,934	2,359,554
1978	674,400	1,059,629	1,734,029	1,157,945	1,438,406	2,596,351
1979	706,083	1,153,469	1,859,552	1,221,270	1,611,878	2,833,148
1980	737,766	1,247,309	1,985,075	1,284,595	1,785,350	3,069,945
1981	769,449	1,341,149	2,110,598	1,347,920	1,958,822	3,306,742

how do we need % in 72
39% in 70 to 49% in 72

12% increase

increase in license fees for both resident and nonresident hunters.

Inasmuch as the present administration is attempting to "hold the line" on general fund expenditures, it is appropriate to request the legislature to pass a general increase in hunting license and nonresident game tag fees.

A bill was introduced in the Senate during the past session, SB 149. Attached is a copy of the memorandum written by Mr. Ralph Kimlinger, Department of Revenue, indicating the effect this bill would have on the game fund. Mr. Kimlinger also suggests amendments to this bill and projects the effect such fees would have on the game fund. We feel that his proposed nonresident tag fees are excessive, and would favor those of the original bill.

The Wildlife Management Institute recently completed a survey of the present license structure in the western states, which are members of the Western Association of State Game and Fish Commissioners. This survey is attached for your information. A portion of that report dealing with reasonable fees, has been included below.

REASONABLE FEES*

"Throughout the foregoing discussions the term "reasonable" in relation to nonresident fees and controls has appeared repeatedly. It is, therefore, appropriate to devise some criteria as to what is "reasonable" in nonresident fees.

"That the resident's full share of the cost of managing wildlife is covered by his license is strictly an assumption, subject to serious question in several states. When the resident pays \$3 for small game, \$5 or less for deer, and under \$10 for elk, there is reason to doubt that he is paying his full share of the management costs. But if we assume, for the purpose of a starting point, that every resident hunter or angler actually pays his full share of the cost of managing the resource, we can develop the following relationships.

*Wildlife Management Institute

- 1 Resident License = Management costs (basic assumption)
- 1 Resident License = Extra license publicity, direction, publications, correspondence and overhead for administering nonresident hunting.
- 0.5 Resident License = Excess enforcement costs on nonresidents who have little interest in the state, plus administration of packers and guides.
- 0.5 Resident License = Winter range acquisition and development to maintain big game herds in excess of resident requirements. Examples of larger nonresident harvest rates have been cited previously. If there were no nonresidents, it may be argued, there would be less demand and less need for winter range acquisition and development. Game herds must be held at optimum numbers to meet current and future recreational demands.

Total: 3 x Resident License = Nonresident fee

"There also is a historical, long-term reliance on nonresident fees as a major source of revenue for many state wildlife agencies. Part of the funds are used to provide wildlife for viewing by non-hunters and non-anglers, both residents and nonresidents, who make only minor contributions toward the upkeep of the resource.

"Charging higher fees for nonresident licenses has a history older than wildlife management in all states. The power of the state to sell privileges to use resources held in trust for all of the people of a state is a well established and accepted principle.

"Since it costs about three times as much to serve a nonresident hunter as a resident, assuming all residents actually are paying their proportionate share for services received and a revenue-producing differential is well established, it is the Institute's belief that a nonresident license fee approximately five times greater than the resident license meets the test of reasonableness. Addition of two points of differential, increasing the ratio from 1 to 3 up to 1 to 5, is considered a reasonable charge for nonresident use of a resident resource.

"The current ratio of resident to nonresident hunters fees in the 37 states outside the scope of the Western Association is 1 to 5.5 for small game and 1 to 4.6 for deer. The overall average differential of 1 to 5 is considered fair and reasonable by the non-public land states. It is believed that a similar differential is fair and reasonable in public lands states.

"This ratio of 1 to 5 only applies to the charge for a license, not to the numbers of nonresident hunters. Decisions regarding the total numbers of all hunters that can be accommodated must be based solely on the biology of the wildlife species involved, commensurate with a professional management plan for each species.

"Attaining a ratio of 1 to 5 in every state does not necessarily mean that nonresident license fees should be reduced. Rather, it can generally be achieved by raising resident license fees to a level where the licensees pay for services received. Where elk hunting fees are grossly out of line, it will of course be necessary to separate the present package license into some type of individual species permits and set reasonable fees for them. However, in states with the greatest discrepancies, setting a more realistic resident license charge will do much toward meeting the suggested 1 to 5 differential."

Using their criteria of a 1 to 5 ratio of resident to nonresident fees, we find that Alaska has a ratio of 1 to 1.4 on small game, 1 to 2.9 on deer and a 1 to 5 ratio on elk (these are the species used in the aforementioned survey for comparison purposes). Many of the game species found in Alaska are unique to Alaska, but we find that on those comparable species, Alaska charges less, in the ratio of resident to nonresident, than many of the other western states, and particularly Montana, Idaho and Washington. On small game we have the lowest ratio of any of the western states.

Additional Funding Sources

(1) New licensing that should be considered is that of licensing resident juveniles. At this time no license is required of resident hunters under 16 years of age. Most states require a license of all teenage youngsters above the age of 12, and generally big game hunting is restricted to those youngsters 12 or older. (We also feel that youngsters between the ages of 12 and 16 should be accompanied by an adult when in the pursuit of big game in Alaska.)

It is estimated that there are some 15,000 Alaska residents in the 12 to 16 age group who now enjoy hunting without a license in Alaska. Using this estimate, multiplied by the present resident fee of \$7 per license, produces additional revenue amounting to \$105,000 - less the 5 percent fee to the license vendors.

Most other recreation facilities (movies, almost all sporting events, etc.) charge those youngsters over 12 full fare. In addition, age 12 is usually the age at which all travelers are considered "adults" in calculating ticket prices.

(2) One other license should be given serious consideration. The 25¢ license for those persons making \$3,600 per year or less. The Department of Revenue has indicated that a substantial percent of those persons purchasing 25¢ licenses are in fact not qualified under the criteria established by the statutes. If it is necessary (for various reasons) that this license be retained, then perhaps it should be administered through the Department of Health and Welfare as a bonafide welfare program.

Senate Bill 203 attempts to deal with this problem by raising the 25¢ license fee to \$5. This would help to equalize fees for those persons who take advantage of this law, but would be a hardship for those people who need assistance. We prefer that it be administered by Health and Social Services as a welfare program.

(3) Most other states have big game tags in addition to the general hunting license, for resident hunters just as we do for nonresident hunters. Such fees could be initiated by charging a nominal fee for each big game animal hunted; perhaps a \$3 fee for deer to as much as \$10 for more desirable trophies such as brown-grizzly bear, sheep and polar bear.

We do not have exact figures indicating the numbers of residents that hunt each of Alaska's big game, but even these nominal fees would increase by a substantial amount the monies deposited to the game fund.

(4) Fees for both resident and nonresident trapping should go to the game fund rather than the general fund, as it now does. This change would add an additional amount to the game fund of approximately \$18,000 to \$25,000 (\$17,586.74 in calendar year 1970).

The Game Division does research and surveys and inventories on fur animals that benefit those people that trap, but receives no money from their license fees.

Pending Legislation

CASHB 122 and CSSB 14: These bills provide for a \$1 resident hunting license for persons 65 years of age or older and \$2 resident hunting and trapping license for persons in this age group.

There would be no loss of revenue to the game fund for this change in trapping fees for this age group inasmuch as trapping license fees are deposited to the general fund.

From our records we find that we have 664 licensed resident hunters 65 years of age or over. Therefore, we would receive \$6 less for each of these people or \$3,984 less in revenue.

HB 291: This bill provides for an increase of 5 percent in vendor commissions for selling licenses and tags; the present commission is 5 percent. The net amount given to the game fund would be reduced by an additional 5 percent if this bill is passed. This would be a total of 10 percent reduction rather than the 5 percent reduction at the present time.

CSSB 149: The license fee increase provided for by this bill for hunting licenses and nonresident game tags is discussed in the text.

SB 203: This bill provides for an increase in hunting license fees for the low income persons from 25¢ to \$5. We should support any legislation that removes or modifies the 25¢ license.

SB 206: This bill provides for a fee of \$2 for a duplicate hunting license or game tag that may have been lost. We should support this bill.

Department of Revenue - Proposed Legislation

Legislation proposed by the Department of Revenue has no effect on revenue accruing to the game fund.

In conclusion, it is a fact that in order to carry out the Game Division's present level of service, it will be necessary to derive additional state funds in a few years. Keeping pace with the increased demands of an increasing population will require an expanding program rather than a maintenance program, and will require an even greater portion of state funds.

Not done for this year

MEMORANDUM

State of Alaska

TO: R. D. Stevenson
Deputy Commissioner
Department of Revenue

DATE: March 11, 1971

FROM: Ralph Kimlinger, Manager
Juneau Field Office
Department of Revenue

SUBJECT: SB 149 - Sport Fishing
and Hunting License Fees

EFFECT ON TREASURY

Based on the license sales during calendar year 1970, increases to the Fish and Game Funds and the General Fund, if SB 149 is passed would be:

Fish Fund	\$ 629,390.00
Game Fund	793,795.00
General Fund	<u>54,830.00</u>

Total \$1,478,015.00

(See attached for details)

Since licenses are sold on a calendar year basis, the increases to funds have been so calculated.

Introduction of SB 149 appears to be for the purpose of raising revenue and as such we would like to recommend some amendments:

<u>LICENSE TYPE</u>	<u>PRESENT FEES</u>	<u>FEES PER SB 149</u>	<u>FEES PER AMENDMENT</u>
Resident Sport Fish.	\$ 5.00	\$ 10.00	\$ 14.00
Resident Hunt.	7.00	19.00	14.00
Resident Hunt. & Trap.	10.00	20.00	20.00
Resident Trap.	3.00	10.00	6.00
Resident Hunt. & Spt. Fish.	12.00	24.00	28.00
Resident Hunt., Trap., & Spt. Fish	15.00	34.00	34.00
Visitors 10 Day Spt. Fish *	5.00	10.00	10.00
Nonresident Spt. Fish	10.00	20.00	25.00
Nonresident Hunt.	10.00	20.00	20.00
Nonresident Hunt. & Spt. Fish.	20.00	40.00	45.00
Nonresident Hunt. & Trap	100.00	200.00	200.00
Resident Fur Dealer & Tax.	20.00	100.00	20.00
Nonresident Fur Dealer & Tax.	100.00	250.00	100.00
Fish., Fur & Game Farm.	5.00	100.00	5.00
Nonresident Big Game Tags			
Brown or Grizzly Bear	75.00	150.00	500.00
Polar Bear	150.00	300.00	1,500.00
Black Bear or Deer @	10.00	20.00	25.00
Bison, Moose, or Sheep @	50.00	100.00	200.00
Walrus	100.00	250.00	250.00
Elk or Goat @	25.00	50.00	75.00
Caribou	25.00	30.00	50.00

* Change wording of license: Visitors Special Sport Fishing License valid for the Day Period inscribed on the license

Based on our amended fees and the 1970 calendar year sales increases to the Fish and Game Funds and the General Fund, if SB 149 as amended is passed, would be:

Fish Fund	\$ 951,055.00
Game Fund	1,727,890.00
General Fund	<u>17,330.00</u>

Total \$2,696,275.00

(See attached for detail)

PROBLEMS OF ADMINISTRATION

SB 149 does not set up an effective date and as such will become effective 90 days after it signed by the Governor. Sport Fishing and Hunting Licenses are sold on a calendar year basis and any changes in these licenses should be made effective at the start of a new license year. As an administrator, I would request an effective date of January 1, 1972. The problems involved in trying to initiate a change of license fees in the middle of a year are many; new licenses printed and shipped, old licenses recalled and accounts audited, new instructions printed and distributed etc.

Projected costs of implimentation of SB 149 without an effective date are:

Printing	\$ 550.00
Postage	100.00
Personal Services	<u>600.00</u>

Total \$1,250.00

Attachments
RK:kh

SPORTS FISH & GAME LICENSE REVENUE INCREASES

RELATIVE TO SB 149

CODE NO.	PRESENT FEE	PROPOSED FEE	TOTAL NET RECEIPTS	NET TO FISH FUND	NET TO GAME FUND	NET TO GENERAL FUND
401	\$ 5.00	\$ 10.00	\$ 375,418.50	\$ 375,418.50	\$	\$
402	7.00	14.00	294,314.86		294,314.86	
403-A	10.00*	24.00	23,733.96		13,844.81	9,889.15
404	12.00	24.00	523,913.78	218,297.50	305,616.28	
405	15.00	34.00	127,814.12	37,592.39	52,629.34	37,592.39
406	5.00	10.00	165,368.12	165,368.18		
407	10.00	20.00	395,506.44	395,506.44		
408	10.00	20.00	170,878.46		170,878.46	
409	20.00	40.00	133,195.52	66,597.76	66,597.76	
410	100.00	200.00	1,704.24		170.44	
411	50.00	(NO)	16,479.30			1,533.80
412	5.00	CHANGE)	2,182.59			16,479.30
413	20.00	100.00	15,135.39			2,182.59
414	100.00	250.00	3,089.91			15,135.39
415	5.00	100.00	1,522.80			3,089.91
419	10.00	(NO)	494.73			1,522.80
401-B	1.00	(NO)	3.82			494.73
405-254	.25	CHANGE)	1,272.52		593.87	254.48
417-3B	3.00	10.00	7,736.37			7,736.37
SUBTOTAL			2,259,765.49	1,259,208.76	904,645.82	95,910.91
416						
GAME TAGS			744,518.96		744,518.96**	
TOTAL			\$3,004,284.45	\$1,259,208.76	\$1,649,164.78	\$95,910.91
LESS NET RECEIPTS-1970			(1,526,270.08)	(629,818.39)	(855,369.12)	(41,062.57)
INCREASE TO FUNDS			\$1,478,014.37	\$ 629,390.37	\$ 793,795.66	\$54,828.34

** TAG BREAKDOWN

BEG BEAR	\$ 75.00	\$150.00	\$ 99,212.89
POLAR BEAR	150.00	300.00	65,762.35
BLACK BEAR	10.00	20.00	51,736.84
DEER	10.00	20.00	18,846.18
HOGS	50.00	100.00	293,635.07
SHEEP	50.00	100.00	80,660.83
MALRDS	100.00	250.00	4,744.76
ELK	25.00	50.00	2,657.06
GOAT	25.00	50.00	29,370.05
CARIBOU	25.00	30.00	92,892.87
TOTAL			\$ 744,518.96

* THIS IS INCORRECT IN BILL - SHOULD BE \$24.00

COMMERCIAL FISH LICENSE FEES

Introduction

Commercial fisheries license sales since 1961, the first year of complete records, through 1970, except for the earthquake year of 1964 and the year immediately following 1965, have shown a steady annual increase. With the projected increase of Alaska population, it is expected that this steady increase in commercial license sales will continue through the next decade.

Commercial licenses are issued for the calendar year. All fees received from commercial license sales are deposited directly into the State general fund, less five per cent for license vendor services. The bulk of commercial fisheries operating expenses are also allocated from the State general fund. In this manner, the operation of the Commercial Fisheries Division is unlike that of either the Division of Sport Fisheries or the Division of Game. The Division does participate in two separate federal aid programs; PL 88-309, Commercial Fisheries Research and Development Act, and PL 89-304, Anadromous Fish Act. These federal aid programs amount to approximately 650,000 dollars in total, which may be matched by State funds on a 1:3 and 1:1 basis respectively.

Gear Limitation

A consistently reoccurring and critical problem facing our commercial fisheries management program is the increasing amount of gear in the high quality fisheries such as salmon, crab, scallops, and in some areas shrimp. Gear limitation, i.e., the maximum optimum units of gear which can both adequately harvest the annual fishery surplus and still provide the fishermen with a "livable" income, certainly must be achieved at the earliest possible time. One suggested approach to this problem is through the establishment of higher license fees for both resident and nonresident commercial fishermen.

A basic license differential of a 1:3, resident to nonresident ratio, has withstood the test of time and certainly has additional legal standing in that this ratio is in widespread use throughout the United States for sport angling and hunting licenses.

In Alaska commercial fish licensing, the following example is shown as one method of limiting the amount of gear participation in the fishery. The model illustrates the present fee and a possible alternate fee structure.

	<u>Resident</u>	<u>Nonresident</u>
1. Commercial Fishing License		
Present	\$ 10	\$ 30
Possible Alternate	150	450
2. Vessel License		
Present	10	30
Possible Alternate	150	450
3. Drift Gill Net		
Present - 1st 100 fathoms	10	30
Each additional 50 fathoms	5	15
Possible Alternate	150	450
Each additional 50 fathoms	75	225

Several obvious problems associated with the increased license fees listed above are: 1) the hardship on the "bush" resident who is shifting over from a subsistence to the dollar economy; and 2) the fairly significant number of resident fishermen who are currently on relief, who would be affected by the increased license fees. However, to offset adverse impact on "bush" or "on relief" resident fishermen, an amendment within the licensing legislation could be written to allow lower license fees for these individuals.

Provisions similar to the 25¢ license statute currently in effect, might be indicated which would respect the needs of lower income "bush" and "relief" families and still maintain the potential benefit of higher license fees relative to the gear limitation issue.

A will have problems that should be handled as such.

There might be some loss of revenue due to the reluctance of some "marginal" fishermen who would be unwilling to pay the increased license fees and further, the hesitancy of many fishermen, both resident and non-resident, to purchase several types of fishing gear licenses. However, in the latter cases, the problem of gear limitation might be served at least partially by an increased license fee.

Recommendations

- 1) The present level of commercial license fees are at a minimum level, and are certainly not adequate. *for what?*
- 2) We recommend that all commercial license fees be doubled.
- 3) Commercial fishing gear not presently licensed, include herring pounds and fish wheels. It is suggested that a fish wheel gear license of \$3.00 be instituted and a herring pound gear license for residents be established at \$20.00; with a \$60 fee for nonresidents.
- 4) The license fees, under the Small Boat Operators Act, should remain the same for residents; i.e., \$3.00 vessel, \$5.00 gear, but should increase to \$9.00 on vessel and \$15.00 on gear for nonresidents.
- 5) Effective date for commercial license fee increases would be January 1, 1973.

GROSS COMFISH RECEIPTS 1961 THROUGH 1970

CODE NO.	TYPE OF LICENSE	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970
		\$	\$	\$	\$	\$	\$	\$	\$	RESTRICTED SALMON NET	PROBABLE RESTRICTED SALMON NET
					EARTHQUAKE						
270	VESSEL	121,260.00	121,116.00	134,592.00	129,916.00	131,932.00	140,550.00	138,366.00	143,955.00	146,857.00	161,863.00
271	TROLL	28,335.00	24,935.00	26,650.00	30,055.00	35,025.00	34,470.00	33,515.00	36,605.00	42,740.00	43,450.00
272	LONG LINE	10,660.00	17,925.00	17,625.00	9,850.00	11,935.00	19,830.00	15,770.00	9,690.00	18,530.00	29,740.00
273	DRIFT GILLNET	79,250.00	78,655.00	93,620.00	88,260.00	86,150.00	97,425.00	98,410.00	93,820.00	107,130.00	125,800.00
274	SET GILLNET	23,300.00	25,830.00	30,110.00	27,905.00	29,005.00	31,795.00	29,955.00	30,985.00	33,950.00	37,350.00
275	BEACH SEINE	450.00	495.00	500.00	455.00	1,400.00	700.00	725.00	600.00	575.00	1,075.00
276	PURSE SEINE	126,935.00	145,250.00	144,310.00	140,420.00	125,810.00	126,500.00	113,270.00	135,080.00	118,790.00	131,150.00
277	BEAM TRAWL	787.50	825.00	875.00	637.50	750.00	712.50	1,087.50	675.00	650.00	750.00
278	OTTER TRAWL	2,550.00	2,160.00	1,550.00	950.00	1,400.00	1,850.00	3,200.00	1,700.00	1,650.00	2,550.00
279	SHELLFISH POTS	11,400.00	13,755.00	13,455.00	14,115.00	10,365.00	11,175.00	12,060.00	14,970.00	17,430.00	18,325.00
280	CLAM DIGGERS - 40% GF	1,348.00	1,022.00	690.00	330.00	364.00	246.00	290.00	336.00	290.00	352.00
281	R-COMMERCIAL - 40% GF	40,424.00	41,332.00	44,643.00	43,375.00	44,124.00	50,260.00	48,944.00	59,488.00	50,436.00	57,400.00
282	NR-COMMERCIAL-40% GF	33,528.00	36,434.00	40,230.00	38,262.00	38,418.00	43,224.00	71,220.00	77,844.00	75,816.00	82,618.00
283	SCALLOP DREDGES	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	2,500.00	900.00
286	COMM. EXT. FEES	320.00	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	1,865.00
SUB TOTAL		450,627.50	509,734.00	548,765.00	524,501.50	516,768.00	553,837.50	566,812.50	605,683.00	617,755.00	719,331.00
5991	GRANT	2,022.00	1,533.00	1,035.00	495.00	516.00	369.00	435.00	504.00	435.00	573.00
5992	FISHERMEN'S FUND	60,636.00	61,998.00	66,972.00	65,064.00	66,186.00	75,390.00	73,416.00	89,232.00	75,634.00	86,320.00
5993	FUND	56,298.00	54,641.00	60,345.00	57,303.00	57,127.00	64,836.00	106,330.00	116,766.00	113,724.00	153,000.00
SUB TOTAL		112,956.00	118,182.00	128,352.00	122,862.00	124,829.00	140,595.00	180,681.00	205,532.00	189,813.00	245,717.00
TOTAL		593,577.50	627,916.00	677,117.00	647,363.00	641,127.00	699,432.50	747,493.50	812,190.00	807,568.00	935,715.00

NUMBER OF LICENSES SOLD EACH YEAR

270	VESSEL	7,926	8,157	8,302	8,588	8,811	9,370	9,629	9,926	9,372	13,877
271	TROLL	1,427	1,480	1,470	1,735	1,922	1,944	1,889	2,103	2,303	2,567
272	LONG LINE	366	609	593	326	419	733	555	342	760	1,162
273	DRIFT GILLNET	3,022	2,895	3,123	3,219	3,257	3,654	3,765	4,050	4,374	4,710
274	SET GILLNET	2,064	2,294	2,701	2,594	2,629	2,845	2,610	2,702	3,011	3,053
275	BEACH SEINE	22	27	23	23	44	40	38	33	64	77
276	PURSE SEINE	1,182	1,402	1,413	1,343	1,237	1,236	1,202	1,291	1,207	1,311
277	BEAM TRAWL	21	22	20	17	20	19	24	18	13	13
278	OTTER TRAWL	29	29	15	9	12	17	33	26	30	41
279	SHELLFISH POTS	453	405	477	456	355	425	474	524	593	617
280	CLAM DIGGERS	396	319	202	131	114	102	127	143	135	149
281	R-COMMERCIAL	10,106	10,333	11,162	10,844	11,052	12,565	12,236	14,872	12,603	14,570
282	NR-COMMERCIAL	5,591	6,072	6,705	6,367	6,403	6,847	5,936	6,487	6,318	7,718
283	SCALLOP DREDGES	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	8
286	COMM. EXT. FEES	24	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL		32,700	34,086	37,106	35,744	36,275	39,797	38,534	42,533	41,847	46,620

REPORT
to the
WESTERN ASSOCIATION OF STATE
GAME AND FISH COMMISSIONERS
on
NONRESIDENT HUNTING AND
ANGLING
by the
WILDLIFE MANAGEMENT INSTITUTE
Washington, D.C.
July 1971

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BACKGROUND

On 18 January 1971, President Harry R. Woodward of the Western Association of State Game and Fish Commissioners requested the Wildlife Management Institute to study the nonresident hunting situation on all lands in the West for the purpose of recommending a common course of action for states of the Association to use in resolving increasing complex problems. Then and now, nonresident hunting is the subject of considerable discussion in many western states, where much attention is focused on license fees, hunter quotas, and allied matters. Further intensifying the Association's concern are the Public Land Law Review Commission's recommendations on establishing "reasonable" nonresident fees and eliminating "discrimination" against nonresident hunters and anglers in their use of the public lands.

Institute staff members met with the directors of several western state fish and wildlife agencies in Portland, Oregon on 8 March 1971, for a full discussion of the study. There, it was agreed that nonresident angling should be included in the purview of the study.

A detailed questionnaire was submitted to each state shortly thereafter, with the returns serving as the main source of information for this evaluation. Statistical expressions are based on information assumed to be accurate as provided by the states.

It is difficult, dealing with 13 states having diverse fiscal, license, management and legislative systems, to draw many direct comparisons. Figures have been rounded, simplified and adjusted for comparison between dissimilar states, always seeking useful comparisons within the available material. It is impossible, for example, to make a meaningful comparison of the overall nonresident fees of the 13 states. State license structures seldom provide directly comparable licenses or tags; rather, each state's structure has evolved on custom and revenue-raising needs, as well as differences in the quality of hunting or species involved. It is generally possible to make a comparison of what it would cost a nonresident sportsman to buy the necessary licenses to hunt a deer or an elk, however.

State license structures, harvest figures, and other data are often dissimilar and averages may be misleading. They are used in this report only where necessary and pertinent. This is the general approach the Institute has taken in using statistical data that are not directly comparable or are not available in an appropriate form from many states.

In this kind of study it would be easy to get led into discussion of the states rights-federal rights issue, to become involved in an overall defense of the status quo, or to get deeply enmeshed in endless legal technicalities. The Institute has endeavored to view the problem in its most essential terms and to develop recommendations applicable to all interested states.

Briefly stated, analysis of the problem calls for (1) establishing facts on nonresident hunters and anglers in the 13 member states of the Association; (2) suggesting what are "reasonable" fees, quotas and other restrictions on nonresidents; and (3) developing recommendations that are compatible with the facts, meet the test of reasonableness, and can serve as policy guidelines for the Western Association.

AUTHORITIES, REPORTS, AND CONFLICTS

There is little question of the long-established right of individual states to manage fish and resident wildlife and to license and otherwise regulate hunters and anglers. Reaffirmation of this was stated succinctly on 16 September 1970 in the Department of Interior's regulation for "Preservation, Use and Management of Fish and Wildlife Resources." That regulation, approved only after numerous discussions with representatives of the state fish and wildlife agencies over a period of many months, says in part:

"The several states have the authority to control and regulate the capturing, taking and possession of fish and resident wildlife by the public within state boundaries" . . . "Federal agencies will permit public hunting, fishing and trapping within statutory limitations and in a manner compatible with the primary objectives for which the lands are administered. Such hunting, fishing, and trapping and the possession and disposition of fish, game and fur animals shall be conducted in all other respects within the framework of applicable state laws, including requirements for the possession of appropriate state licenses or permits."

The Public Land Law Review Commission Report ONE THIRD OF THE NATION'S LAND (1970), hereinafter referred to as the PLLRC Report, specifically recognizes the same state authority (p. 159): "We recommend that the states generally should continue to exercise their traditional authority to license the taking and transport of game and to set seasons and bag limits."

While some of the observations and recommendations in the Public Land Law Review Commission's report are contradictory, or at least variable, as they regard the regulations for nonresident hunters and anglers and the proposals for an overall federal license on public lands, they are specific. For example, PLLRC comments (p. 172): "Our proposed fee to hunt and fish on public lands is not a substitute for the licensing function of the states." "Fees could be varied to recognize differences in the quality of hunting and fishing opportunities on public lands, or a uniform nominal fee could be adopted." PLLRC also advised that "Administering agencies (U.S. Forest Service, Bureau of Land Management, etc.) should institute positive programs to control hunter and herman density and to direct harvest pressure on public lands."

A key statement regarding "nonresident discrimination" appears as Recommendation 67 (p. 174). "State policies which unduly discriminate against nonresident hunters and fishermen in the use of public lands through license fee differentials and various forms of nonfee regulations should be discouraged."

Other comments from the PLLRC Report (p. 174-175) having a bearing on the Western Association's concerns follow:

"The Commission recognizes that the states depend heavily on the revenues from license sales to support the cost of administering enforcement and other elements of their fish and game programs. Moreover, we acknowledge that in some cases nonresidents present special enforcement and rescue problems because of their unfamiliarity with the area. A reasonable differential for nonresidents is justified on these grounds. However, to the extent that such unusually high differentials may have been used as revenue raising vehicles to compensate the states for added burdens caused by nonresidents using Federal lands which yield no tax revenue, implementation of our recommendations in Chapter Fourteen for equitable payments-in-lieu-of taxes should eliminate the need for further reliance on the practice."

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"Some states also have other nonfee laws, regulations, or practices, which discriminate against nonresidents or effectively favor residents with respect to hunting and fishing on the public lands. Such restrictions and exclusions are unjustified.

"Because of the mobility of our population today, the discriminatory effect of the various state practices on the users of public lands is heightened in two ways. Such practices discourage citizens from traveling to other states to hunt or fish on the public lands. And as greater numbers of out-of-state people do purchase nonresident licenses so they may fish or hunt, the discrimination is felt by more and more citizens.

"We believe the elimination of both kinds of unreasonable discrimination against nonresidents is necessary if the public lands are to serve all citizens of the nation equally and contribute effectively and fairly to meeting the growing demand for hunting and fishing opportunities.

"The present situation appears so discriminatory as to raise constitutional questions. While the courts ultimately may rule on these issues, we believe it essential to adopt additional means of discouraging these practices. We recommend, therefore, that existing Federal programs which provide financial support for state fish and wildlife programs, as well as the new Federal cost-sharing program which we recommend for cooperative improvement of public land habitat, be conditioned upon the states revising their fee and licensing provisions to remove unreasonably discriminatory differences between residents and nonresidents. We also encourage the states to cooperate in reaching agreement among themselves on reasonable differentials based on uniform principles in both fee and nonfee regulations."

The assertion that nonresident fees are set to compensate the states for lack of general tax revenue ignores the fact that state wildlife and fish departments are not to any significant degree, if at all, supported from this source. Programs of these agencies rely largely on license revenues, and there is little connection, if any, between general revenues of a state and the dedicated funds of a wildlife and fish department. PLLRC's charge also ignores the various ways the several state governments share in receipts from national forests and the public domain.

PLLRC's recommendation to condition various federal financial assistance programs, including the Federal Aid in Wildlife and Fish Restoration Program, on the treatment accorded nonresident sportsmen demonstrates a lack of conservation knowledge. Such a recommendation does not recognize the fact that these dedicated funds are paid by the sportsmen themselves as an excise tax on specified items of hunting and fishing equipment. Continuation of these two successful excise tax-supported programs, incidentally, has required intensive lobbying by hunters and anglers on more than one occasion to counter sweeping excise tax-elimination proposals.

PLLRC also intimates that nonresident angling license fees are too high. Actually they are too low, because nonresidents catch mostly hatchery-reared trout in the western states. The rearing and releasing of catchable-sized trout is an expensive undertaking. Further, there is reason to believe that resident and nonresident fishing license fees are not supporting fish management programs, particularly for cold-water species, in some states.

Several western states appear interested in further restricting nonresidents. During the past year nonresident license fees have been increased in Washington and elsewhere. Wyoming has placed a 50,000 permit limit on nonresident deer hunters. Other legislatures and commissions are discussing nonresident controls. Much of this demand

stems from the understandable desire of residents in states blessed with high-quality hunting and fishing to keep it for themselves. Quality recreation may be a major reason for an individual deciding to reside in a state. Subsequently, there may be great reluctance to share it with many hunters and anglers, even from other sections of the same state. But public lands that supply much of the habitat for fish and wildlife and recreational opportunities belong to all the people of the nation -- thus, the current controversy and problem.

THE NONRESIDENT SPORTSMEN

Numbers and Sources

Western people are outdoor minded; 31 percent in the Intermountain West and 24 percent in the Pacific Region hunt and fish. The Bureau of Outdoor Recreation estimates that the 1975 population in the West will be 36 million people, a growth factor about 85 percent above the national average. Demand for outdoor recreational opportunity is sure to sky-rocket, and public lands will be expected to accommodate much of it.

There were more than 268,000 nonresident hunters and 927,000 nonresident anglers in the 13 Western Association states in 1970 (Tables I and II). License structures are so diverse that this figure can be considered only an estimate. Generally, the states with the most nonresident sportsmen have little information on the number of individuals involved. Nonresident hunters are highest in Wyoming, Colorado, Idaho and Montana and lowest in California, Washington, Oregon and Hawaii. Angling numbers generally follow the same pattern, except that Oregon and Washington are well up on the list.

The nonresident is not necessarily an outlander; most are residents of other western states. Only New Mexico, Wyoming, Montana, Alaska and Hawaii contribute insignificantly to hunting and angling in other states (Table III). Therefore, the shift in hunters and anglers is largely within the Western region, further verifying, perhaps, the assumption that willingness to pay higher nonresident fees reflects the value sportsmen place on quality hunting and fishing.

To some degree, the nonresident is agreeable to paying for this quality factor, and to a degree this differential may be justified, as the PLLRC Report contends. It is also reasonable to assume that at some point a nonresident fee can exceed normal considerations of quality, becoming unreasonable and/or discriminatory, more of a protective tariff than an inducement to trade. Actual numbers of residents hunting or fishing as nonresidents in other western states are not generally known. However, 35,000 Coloradans purchased Wyoming angling licenses in 1968. More than 34,000 hunters and 11,000 anglers from Washington purchased licenses in other states.

Licenses Fees

All states have a differential license fee between residents and nonresidents (Tables IV, V, and VI). In general, this differential fee is somewhat proportional to the variety and trophy value of the species involved. A state with high-quality hunting and/or prized species not as abundant elsewhere usually charges the nonresident more than states having less to offer.

Western states have substantially higher fees than elsewhere for deer and other big game, and slightly higher fees for small game. The average western nonresident differential is \$21.73 for small game and \$36.23 for deer. In the other 37 states the differential is \$18.51 for small game and \$21.72 for deer.

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Usually, states that have the largest number of nonresident sportsmen have the most complicated license structure. Only a few of them require all hunters to have a general license and additional special tags for individual species. Most states rely on a complex system of special species tags and permits that makes the numerical determination of individual hunters almost impossible. Federal aid allocation certifications are of little help, since the totals are not subdivided for residents and nonresidents.

In the 13 western states, the general ratio of small and upland game resident license price to nonresident license price is 1 to 5.5 (Table IV). On the average, it costs a nonresident 5.5 times as much to hunt as it does a resident. For big game, the differential increases. On the average, it costs a nonresident 6.3 times as much to hunt deer as it costs a resident. For a license to hunt elk, the nonresident pays 9.8 times as much as a resident, on the average.

Elsewhere in the United States, and including some states with national forests and public domain, the general ratio of resident to nonresident fees is 1 to 5.5 for small game. The ratio drops to 1 to 4.6 for deer, primarily because resident hunters are charged proportionally more than in the West. Some of these non-Western Association states, including Kansas, Illinois and South Dakota, did not allow nonresidents to hunt deer in 1970.

Angling license ratios are much lower. In the West a nonresident pays 2.5 times as much as a resident. In the rest of the nation, he pays only 2 times as much.

Small game hunting licenses for nonresidents vary from \$10 in Alaska to \$50 in Washington and Nevada, with a regional average of \$26.38 (Table V). The cost of hunting deer ranges from Hawaii's \$15 and Alaska's \$20 to Nevada's \$20, with an average of \$43.11. Because of package-type licenses in some states, primarily to produce revenue, elk hunting costs the nonresident an average of \$89 in the West. Extremes are from Alaska's \$35 to Montana's \$151.

Both nonresident angling and hunting fees have been increased in the past ten years in western states, but they have not risen as rapidly as the general cost of living. Neither have resident fees. These facts account for much of the financial difficulty faced by wildlife agencies.

Nonresident angling fees are lower than for hunting, averaging only \$13.28 for the season (Table VI). All states have a short-term license for vacationers which averages only \$.73 per day. The cost of short-term licenses is much too low, considering that many visiting anglers catch largely hatchery trout. In some states, nonresidents may receive a preferential over residents for short-term licenses.

The differential cost between the resident and nonresident sportsman's license is firmly established by custom and law in all states. Higher fees for nonresident hunters and anglers now are an accepted part of the national tradition of hunting and fishing. Moreover, the states hold in trust for the benefit of their people the fish and resident wildlife and have authority to manage them, including setting license fees. But associated with these authorities are fundamental responsibilities of the states to assist the federal agencies in maintaining and managing the public lands to yield fish and wildlife. Legislators, commissioners, and administrators must recognize to a greater degree the need to carry on habitat inventories and management programs on public lands. This is the only way to insure recreational opportunities on a continuing basis.

The PLLRC Report supports the validity of the prevailing concept of licensing nonresidents. On page 174, PLLRC observes "The Commission recognizes that the states depend heavily on revenues from license sales to support the cost of administering enforcement and other elements of their fish and game program. Moreover, we acknowledge that in some cases nonresidents present special enforcement and rescue problems because of their unfamiliarity with the area. A reasonable differential for nonresidents is justified on these grounds."

We will concern ourselves with what differential, if any, is "reasonable" and what other controls may be justified.

Economic Contributions

Background information on 1970 operating budgets and sources of revenue shows the 13 member agencies of the Association invested more than \$82 million in fish and wildlife management, protection, research, and land and water management (Tables VII, VIII, IX, X). Of this large amount, more than \$61 million (75 percent) came from license receipts; only \$579,000 (7 percent) was appropriated from general funds (Montana and Hawaii). The remainder came from the Federal Aid in Wildlife and Fish Restoration Programs, special funds for habitat restitution on federal projects, fines, and other miscellaneous sources. The nonresident hunter contributed, on the average, approximately 17 percent and the nonresident angler about 7 percent of the operating budgets.

Over 41 percent of the total hunting revenue was from nonresidents, ranging from 1.3 percent in California to 84.7 percent in Wyoming. Almost 22 percent of the total angling revenue was from the nonresident angler, ranging from 0.6 percent in Hawaii to 76.7 percent in Montana. Yet nonresidents comprised only about 9 percent of all hunters and about 16 percent of all fishermen in the western states (Tables I and II).

Hunting, fishing and allied recreation based on fish and wildlife resources of national forests and the public domain generate substantial economic activity at the community level. Great sums are spent for equipment, food, lodging, and services. Thousands of jobs also are involved. The development and maintenance of productive populations of fish and wildlife on all public lands are fully as important to the overall economic stability on the local level as are the commercial phases of national forest and public domain programs. Expenditures for hunting and fishing exceed those for commercial use of national forest resources in some areas.

Studies of economic values generated by fish and wildlife have been made over several years in a number of states, but they differ so widely in approach and scope that they are not comparable. However, they do indicate several million dollars are contributed by nonresident hunters and anglers yearly to the economy of most states (Table XI). This money, spent entirely for goods and services, is of significant economic importance, especially to the many small communities that rely heavily on sportsmen's dollars.

Special Restrictions

The nonresident is subjected to restrictions in several states well beyond those with which the resident must contend. For example, four states require nonresident hunters to have guides or to be accompanied by a licensed resident. In Montana, the nonresident big game hunter must be accompanied by a licensed resident in most of the state. In Utah, a licensed guide is required for hunting cougar. Wyoming requires that a licensed guide or resident hunter with a guide's permit must accompany a non-

resident hunter on national forests. A guide is required in Alaska to hunt grizzly, brown or polar bears, and sheep.

Many states have quotas or species restrictions on nonresidents (Table XII). These range from limitations on the percentage nonresidents can make up of hunters, to complete prohibitions on hunting some species. Arizona, Montana, Nevada and Wyoming have placed quotas on nonresidents. Arizona, California, Colorado, New Mexico, Oregon and Utah prohibit nonresidents from hunting some species or sexes of big game. More restrictions are being considered in these and other western states.

A regional inconsistency exists in the period of time required for nonresidents to meet residency requirements. Periods of domicile required to establish residence vary from one year in Alaska, Hawaii and Wyoming to two months in Utah. The rest of the western states require six months.

Harvests of Fish and Wildlife

Estimates of fish and wildlife harvested by resident and nonresident sportsmen are available for most western states (Tables XIII, XIV, XV). The bulk of big game animals are taken on federal land (Table XVI). Federal lands also furnish habitat for most of the West's big game animals (Table XVII). Some species, usually of high trophy value, such as sheep and goats, are found almost entirely on federal lands. In some states, important big game species most often summer on federal land and winter on federal and private lands. This co-mingling of use long has been the source of serious wildlife management problems. It is impossible to consider only the public lands when discussing any phase of wildlife management. Public lands are an integral part of any state, and fish and wildlife do not recognize ownership boundaries.

In the view of PLLRC, the public lands belong to all the people and premiums charged and other restrictions placed on nonresident sportsmen to hunt or fish on public land should be "reasonable." At the same time, PLLRC overlooks the real and difficult problem in some states of resentment against nonresidents who, because of planned vacations, take extended hunts and score higher success than residents.

Even though nonresidents are an important source of income, directly to the agencies and indirectly to localities and the states, they are frequently maligned as foreigners, city slickers, and a general nuisance. Unfortunately, this attitude on the part of the public, some legislators, and some commissioners, appears to be increasing rather than diminishing. At the same time, tourist promotion and economic development agencies in many states continue to advertise fishing and hunting to attract visitors and industries. There is an obvious lack of uniform policy at the state level bearing on the use and enjoyment of fish and wildlife resources, both by residents and nonresidents alike.

Nationally, we are approaching an era of intensive wildlife management. Harvests should be within the capabilities of habitat to produce and sustain wildlife. Outdoor recreational uses are increasing dramatically, and there is greater tendency to restrict the nonresident as the competition for space and resources become more acute. Strangely enough, this reaction often is more apparent in the states having large expanses of public land, scenery, and wildlife. People who choose to reside in such states obviously relish freedom from crowding. They are possessive about abundant opportunities to hunt and fish, and they make no effort to disguise their dislike of nonresident sportsmen, particularly hunters. As a result they tend to favor controlling the nonresident by imposing higher fees and quotas long before they will accept more controls over themselves. Politically, it always is easier to impose added costs and new restrictions on