

Leg. Finance - House & Senate Finance Comte Files (1973-74)

HB 125 cont., 126, 130, CSHB 130, HB 131

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Unless they have visited the great exhibit at the Seattle Center, in recent years, most Alaskans have never seen the full "Pullen Collection". When Mrs. Max Kapański (Mary) - "Ma's" Granddaughter - could no longer make a living in Skagway, she, her husband and children crated everything of importance that the Pullen family had gathered during some six decades in Alaska. This includes most of the furnishings - including the mahogany back bar and two magnificent square grand pianos of famed Pullen House, furniture, paintings, silverware, cut-glass - and the objects of art that "Ma" adored; a large assortment of game tables and gambling devices, not only from "Soapy" Smith, but other saloons of Skagway and Dyea; an exceptional collection of Alaskan guns, mining gear, and relics of sourdough life and times; hundreds of prime ethnographic specimens of all the native cultures of Alaska - Eskimo, Athabaskan, Aleut, Tlingit and Haida; and many hundred items of ephemera and memorabilia relating to Alaska. The collection, so vigorously started by "Ma" Pullen has been augmented substantially over the years. The vast collection that tourists, as well as Alaskans visiting Seattle in recent years - somewhere between four and five thousand items - is considerably larger and broader in scope than what old-timer's ever saw in any one place in Skagway in the old days!

Undisputedly this is one of the great collections of Alaska. It is paramount to understanding the heritage and history of Skagway and the Klondike Strike. Historically, artistically and ethnologically it is also the last great collection of Alaskana that has left Alaska - and all too many have - that can ever be returned.

It would be tragic dereliction on the part of Alaska - now with a second and final chance - if this fabulous and irreplaceable trove of our heritage is not returned to the Great Land, where it originated and where it belongs!

Michael S. Kennedy
Alaska State Museum

GEORGE H. TWENEY
16660 Marine View Drive Southwest
Seattle, Washington 98166

25 February 1973

Representative A. M. Saylor,
Pouch V,
Juneau, Alaska 99801

Dear Representative Saylor:

After our personal examination of the Pullen Alaska-Klondike Collection today at the Seattle Center, I am prepared to perform an appraisal of this collection, and present herewith two alternate proposals for your consideration;

Proposal 1

I would inventory the complete collection on an item-by-item basis in sufficient detail to meet the requirements of the Internal Revenue Service for estate, gift, and/or tax purposes, and would submit to you two copies of a detailed report prepared in accordance with IRS requirements. Based on my previous experience with antiquarian material of numerous kinds, I feel capable of handling most of the collection myself. However, it would be necessary to engage the services of a few special experts in such fields as cut glass, silverware, and certain pieces of antique furniture. Qualified experts in all these fields are available to me, and this proposal would include all these subsidiary expenses, including sub-contract appraisal fees, secretarial fees, etc.

To efficiently prepare the inventory in this case, it would be necessary for the entire collection to remain in its present location, and as equally accessible as it was at the time of our examination. If it becomes necessary to pack the collection away in other facilities, or put it into a warehouse, it would be impossible to perform an adequate inventory and appraisal for the fee I shall indicate for this proposal. I estimate the entire appraisal and the final report could be completed in approximately two months' calendar time from the date of starting the project. The bulk of this time would be utilized in examining the collection and completing the inventory. The final report would be prepared in my office.

My fee for this proposal would be determined on the basis of Two-and-One-Half Percent (2½%) of the total appraised value of

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Representative A. M. Saylor - 2 -

the collection, but not less than a total fee of Five Thousand Dollars (\$5,000.00) in the event the total appraised value of the collection should be determined to be less than Two Hundred Thousand Dollars (\$200,000.00). I would require an initial deposit towards the final fee of Two Thousand Dollars (\$2,000.00) prior to starting the appraisal, to provide a drawing account to cover the subsidiary expenses mentioned earlier. The balance of the total fee determined would be payable upon delivery of the completed report.

Finally, if this type of appraisal-inventory must be done after the collection has been moved from its present collection as indicated earlier, then my fees would be increased in each case above by the amount of 50%.

Proposal 2

In view of the fact that the seller and the proposed buyer have already arrived at a mutually agreeable purchase price, in order to substantiate the value of the collection for the buyer, I would like to suggest that what is known as a "blanket appraisal" would be sufficient to meet the requirements of both parties. In this instance, no item-by-item inventory would be prepared, but a sufficiently detailed examination would be made of the collection to determine that it does indeed represent a fair and true value at the proposed purchase price. This type of appraisal would be submitted to you in letter form, notarized, after due and careful consideration had been given to the probable true value. My fee for this type of appraisal would be determined on the basis of One Percent (1%) of the total gross purchase price agreed upon, that is, a fee of Two Thousand Dollars (\$2,000.00) on the proposed purchase price of Two Hundred Thousand Dollars. This type of appraisal report could be completed and submitted in a relatively short time, and the appraisal fee would be payable in full upon submission of the report.

This proposal has particular attraction in view of the fact that it seems apparent the collection must be moved from its present location by 1 March 1973. This appraisal could be completed prior to the removal of the collection, and the buyer could then prepare their specific item-by-item inventory upon arrival of the collection at its destination.

Conclusion

If Proposal 1 should be selected, I could not start the inventory immediately upon receiving approval to proceed as I have other

GEORGE H. TWENEY
16660 Marine View Drive Southwest
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Representative A. M. Saylor - 3 -

appraisal commitments at this time that take priority. However, I would initiate the project just as soon as possible after receiving approval, and would complete it within the two-month period after starting as indicated. If Proposal 2 is selected, I could complete this appraisal and the official letter report within a few days.

It occurs to me also, that in either case, the State of Alaska might deem it desirable to have a representative present during the time that the collection is actually being packed for shipment, to ensure not only that the packing is being done carefully and adequately, but more importantly, to verify that all items in the collection are actually packed. I would be glad to perform this extra service for the State at a fee of \$150.00 per day or any fraction of a day, actually spent on the premises during the packing procedure. At most, I would think this would not take more than a very few days, and would be a form of "insurance" for the State. The total fees in connection with this service would be over and above any appraisal fees as already described, and would be payable upon submission of a separate invoice for the time involved.

If you have any further questions relative to either of the two proposals or to the contents of this letter in general, please do not hesitate to let me know.

Assuring you of my desire to be of service, I am,

Sincerely yours,



George H. Tweney
A.B.A.A. I.L.A.B.



JUNEAU ALASKA

Alaska State Legislature
House

February 5, 1973

The Honorable Donald Barry
Mayor, City of Skagway
P. O. Box 415
Skagway, Alaska 99840

Dear Mr. Barry:

Your letter of February 1 has been received concerning the Pullen Historical Collection. It has been referred to a sub-committee, chaired by Representative Andy Warwick, for study and possible action. In the event the sub-committee believes this to be of real value, you will be informed.

Very truly yours,

A handwritten signature in cursive script that reads "Earl D. Hillstrand".

Earl D. Hillstrand
Chairman
House Finance Committee

cc: Rep. Andy Warwick

HOUSE JOURNAL

COMMITTEE REPORT ON HOUSE BILL 125

In amending H.B. 125 to provide an appropriation of \$225,000 to the Alaska State Museum in the Office of the Governor for the purchase of the Pullen historical collection, the House Finance Committee expresses the following intent:

1. The total price paid to Mrs. Mary Kopanski for the collection shall not exceed \$200,000.
2. Ten percent of the purchase price shall be paid to Mrs. Kopanski at the time of the transfer of collection to the state; the balance of the purchase price shall be paid, without interest, in nine (9) equal annual installments.
3. An amount of \$25,000 is provided to pay for an appraisal of the collection, packing and transporting of the collection to Alaska, insurance from the time of transfer of the collection to the state, all of which shall be borne by the State of Alaska.
4. The collection shall be brought to the State Museum, catalogued, inventoried, and displayed at multiple locations throughout the state.
5. The appraiser will certify to the State of Alaska that the value of the collection exceeds the price to be paid to Mrs. Kopanski.

Earl D. Hillstrand
Chairman
Finance Committee

SUBJECT: The Pullen Collection

Mr. Hillstrand: Well, this is only a matter of opinion, but I feel there are better ways to spend money than to invest in a quasi-historical grouping of interesting objects, some of which are art. In this morning's argument, why, I had not really the time to prepare, but in reflection I think that the items that we were asked to spend \$225,000 to begin with to obtain, we should have considered the fact that there are bar items from the Soapy Smith era, it is claimed, some nice looking mirrors, some nice looking crystal, some china and porcelain, bedroom old fashioned facilities, gambling devices, and three nudes. Beautiful. You know any bar today would enjoy having them and I am sure that they will be owned by people who appreciate those things, but we are pressed for money and, as I say, we are facing a really serious situation within a period ending in 1977 without revenues to take their place, and if we continue to spend money on these "painting the lily" sort of appropriations, I believe that we will just be that much faster in a poor position. Now, by a poor position, I mean we are out of money, we are deeply in debt by existing bonded indebtedness that is being added to every day by municipalities and by the state, coming up March 6, for example, the civic center, \$11.5 million. As I see it, the bonded indebtedness of the state right now is in excess of \$600 million, and you add to that the Native Claims and we are over \$1 billion in debt, and when we run out of money and we are that far in debt, what are the communities going to do, the cities and the boroughs who are depending upon sharing of revenues. They are establishing obligations that are retired from revenues shared by the state with those municipalities, and they are right up against it, just like the state will be. Then we are told that maybe we can cash in a collection such as this, you know, as a means of avoiding absolute disaster. It is a matter of priorities, for example, the people in the Fairbanks area are in great need of a favorable economic impact. They are right on the ropes because of the failure on the part of the powers that be to grant the permit and start building the pipeline. The poor businessman up there over-inventoried and the bank is knocking at his door for payment and he has no way to go. So what we do is buy a Pullen collection. This is absolutely ridiculous, in my mind, because if we took \$225,000 and we matched it, for example, with federal highway building funds, we come up with in excess of \$4 million - \$4,200,000 - you multiply the \$225,000 by roughly 20 times on the federal ratio, and we start building the road north. Now, this would immediately energize the economy of Fairbanks, and they need help.

I will be switched if I can see one advantage to the people of Fairbanks, these people who are really sore pressed to make all ends meet, by buying the Pullen collection, no matter how wonderful it is. I am not denying it is worth \$200,000. What I am saying is that it is not doing the people in Fairbanks any good to buy crystal, or to buy back-bars, or gambling devices that used to be good in Soapy Smith's days. Now I think that those that want culture have every right to get it, but we are talking about spending money of the public's, and I think I would rather leave my kid an opportunity for a job, either on the North road or the encouragement of enterprises elsewhere that offer so many immediate promises of return if we invest, say \$225,000, in those areas. Right now we can do it. Instead of that, we squirrel it away in somebody's emotional, cultural pocket and I feel that here is another opportunity that we wasted. It is too bad that I feel this way, I suppose, but that is my opinion.



RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James O. Smith
Signature of Camera Operator

4/26/89
Date

COMMITTEE REPORT

3-7-73

HOUSE

Mr. Speaker:

Date 5/20/73

The Committee on FINANCE has had HR 126

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

Priority CS FOR 126 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

Original sponsor: Resources Committee

Offered: 3/5/73
Referred: Judiciary and
Finance

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 CS FOR HOUSE BILL NO. 126

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 EIGHTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the regulation of entry into
7 Alaska commercial fisheries; and providing for an
8 effective date."

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

10 * Section 1. AS 16 is amended by adding a new chapter to read:

11 CHAPTER 43. REGULATION OF ENTRY INTO

12 ALASKA COMMERCIAL FISHERIES.

13 ARTICLE 1. CREATION OF THE ALASKA COMMERCIAL

14 FISHERIES ENTRY COMMISSION.

15 Sec. 16.43.010. PURPOSES AND FINDINGS OF FACT. (a) It is the
16 purpose of this chapter to promote the conservation and sustained
17 yield management of Alaska's fishery resource and the economic health
18 and stability of commercial fishing in Alaska by regulating and con-
19 trolling entry into the commercial fisheries in the public interest
20 and without unjust discrimination. It is also the purpose of this
21 chapter to prevent economic distress among fishermen by stabilizing
22 the levels of participation in the commercial harvest of the fishery
23 resource at levels reasonably commensurate with the ability of the
24 resource to provide a livelihood for the fishermen participating in
25 that harvest.

26 (b) The legislature finds that commercial fishing for certain
27 fishery resources has reached levels of participation, on either a
28 statewide or area basis, that have impaired or threaten to impair the
29 economic welfare of the fishermen participating in the harvest, the

1 over all economic efficiency of the harvest and the sustained yield
2 management of the fishery resource.

3 Sec. 16.43.020. ALASKA COMMERCIAL FISHERIES ENTRY COMMISSION.

4 (a) There is established the Alaska Commercial Fisheries Entry Commis-
5 sion as a regulatory and quasi-judicial agency of the state. The
6 commission consists of three members appointed by the governor and
7 confirmed by the legislature in joint session.

8 (b) The governor shall designate one member of the commission as
9 chairman of the commission. The member designated shall serve as
10 chairman for a term of two years, and may be designated chairman for
11 successive two-year terms.

12 Sec. 16.43.030. TERM OF OFFICE; VACANCY. (a) The members of the
13 commission shall be appointed for terms of four years. Initial appoint-
14 ments shall be as follows: one member for two years, one member for
15 three years, and one member for four years. The governor may remove
16 a commissioner from office for cause, including but not limited to
17 incompetence, neglect of duty or misconduct in office. A commissioner,
18 to be removed for cause, shall be given a copy of the charges against
19 him and afforded an opportunity to be heard publicly in person or by
20 counsel in his own defense upon not less than 10 days notice. If a
21 commissioner is removed for cause, the governor shall file with the
22 lieutenant governor a complete statement of all charges made against
23 the commissioner and his findings based on the charges, together with
24 a complete record of the proceedings.

25 (b) A vacancy on the commission shall be filled by appointment by
26 the governor and the appointment shall be confirmed by the legislature
27 in joint session. A member selected to fill a vacancy shall hold office
28 for the balance of the full term for which his predecessor on the com-
29 mission was appointed.

1 (c) A vacancy on the commission does not impair the authority of
2 a quorum of commissioners to exercise all the powers and perform all
3 the duties of the commission.

4 Sec. 16.43.040. QUORUM. Two members of the commission constitute
5 a quorum for the transaction of business, for the performance of a duty,
6 or for the exercise of a power of the commission.

7 Sec. 16.43.050. QUALIFICATIONS. The commission shall consist
8 of three members with a broad range of professional experience, none of
9 whom has a vested interest in the commercial harvest of the fishery
10 resource.

11 Sec. 16.43.055. COMPENSATION. Members of the commission are in
12 the exempt service and shall receive an initial annual salary at range
13 28, step B of the state pay plan, subject to merit raises as approved
14 by the governor.

15 Sec. 16.43.060. LEGAL COUNSEL. The attorney general is the legal
16 counsel for the commission. He shall advise the commission in legal
17 matters arising in the discharge of its duties and represent the com-
18 mission in suits to which it is a party.

19 Sec. 16.43.070. EMPLOYMENT AND COMPENSATION OF PERSONNEL. (a)
20 The commission may employ those persons necessary to carry out the
21 purposes of this chapter. Employees of the commission are in the
22 exempt service under AS 39.25.110.

23 (b) In addition to its staff of regular employees, the commission
24 may contract for and engage the services of consultants, experts and
25 hearing officers as necessary.

26 ARTICLE 2. POWERS AND DUTIES OF THE COMMISSION.

27 Sec. 16.43.120. GENERAL POWERS. (a) To accomplish the purposes
28 set out in sec. 10 of this chapter the commission shall:

29 (1) designate, consistent with the purposes and findings of

1 fact in sec. 10 of this chapter, specific fishery resources subject to
2 the provisions of this chapter;

3 (2) establish administrative areas suitable for regulating
4 and controlling entry into the commercial fisheries;

5 (3) establish, for all types of gear, the maximum number of
6 units of gear for each administrative area;

7 (4) establish qualifications for the issuance of entry
8 permits to gear operators;

9 (5) issue entry permits to qualified applicants for each
10 administrative area;

11 (6) issue interim entry permits as provided in sec. 190 of
12 this chapter;

13 (7) establish, for all types of gear, the optimum number
14 of units of gear for each administrative area;

15 (8) administer the buy-back program provided for in secs. 290-
16 300 of this chapter to reduce the maximum number of units of gear to
17 the optimum number of units of gear for all types of gear and all
18 administrative areas;

19 (9) provide for the transfer and reissuance of entry permits
20 to qualified transferees;

21 (10) provide for the transfer and reissuance of entry
22 permits for alternative types of legal gear, in a manner consistent
23 with the purposes of this chapter;

24 (11) administer the collection of the annual fees provided
25 for in sec. 240 of this chapter.

26 (b) The commission may do all things necessary to the exercise
27 of its powers under this chapter, whether or not specifically designated
28 in this chapter.

29 Sec. 16.43.130. ADMINISTRATIVE AUTHORITY, REGULATIONS AND HEARING

1 PROCEDURES. (a) The commission may adopt regulations, not inconsis-
2 tent with the law, necessary or proper in the exercise of its powers
3 or for the performance of its duties under this chapter.

4 (b) The commission shall adopt regulations, consistent with due
5 process of law, which govern practice and procedure and the conduct
6 of all investigations, hearings and proceedings which it holds.

7 (c) Common law rules of evidence apply to investigations,
8 hearings and proceedings before the commission, except when the
9 commission determines that their application is not required in order
10 to assure fair treatment of all parties and that the evidence is rele-
11 vant and of the sort on which responsible persons are accustomed to rely
12 in the conduct of serious matters.

13 (d) The commission, each commissioner, or an employee authorized
14 by the commission may administer oaths, certify to all official acts,
15 and issue subpoenas and other process to compel the attendance of wit-
16 nesses and the production of testimony, records, papers, accounts and
17 documents in an inquiry, investigation, hearing, or proceeding before
18 the commission in any part of the state. The commission may petition
19 a court of this state to enforce its subpoenas or other process.

20 Sec. 16.43.140. APPLICATION OF ADMINISTRATIVE PROCEDURE ACT. (a)
21 The administrative adjudication procedures of the Administrative Pro-
22 cedure Act (AS 44.62) do not apply to adjudicatory proceedings of the
23 commission except that final administrative determinations by the
24 commission are subject to judicial review as provided in AS 44.62.560 -
25 44.62.570.

26 (b) AS 44.62.010 - 44.62.320 apply to regulations adopted by
27 the commission.

28 ARTICLE 3. ESTABLISHMENT OF MAXIMUM NUMBER OF UNITS OF GEAR.

29 Sec. 16.43.150. ADMINISTRATIVE AREAS. (a) The commission shall

1 establish administrative areas suitable for regulating and controlling
2 entry into the commercial fisheries. The commission shall make the
3 administrative areas reasonably compatible with the geographic areas
4 for which specific commercial fishing regulations are written and
5 according to which the legality of types of gear is defined by the Board
6 of Fish and Game.

7 (b) The commission may modify or change the boundaries of admini-
8 strative areas when necessary and consistent with the purposes of this
9 chapter.

10 Sec. 16.43.160. MAXIMUM NUMBER OF UNITS OF GEAR. Except as pro-
11 vided in secs. 170 - 175 of this chapter, the maximum number of units of
12 gear for each type of gear and each administrative area shall be the
13 average number of units of gear fished during the four years directly
14 preceding January 1, 1973.

15 Sec. 16.43.170. DISTRESSED FISHERIES. (a) The legislature finds
16 the sustained yield management and economic health of the following
17 fisheries, as enumerated by type of gear and registration area, to be
18 in a presently distressed condition resulting, among other factors,
19 from too many units of gear participating in the commercial harvest:

20 (1) Bristol Bay registration area - drift gillnet fishery
21 and set gillnet fishery;

22 (2) Cook Inlet registration area - drift gillnet fishery
23 and set gillnet fishery;

24 (3) Prince William Sound Registration Area - drift gillnet
25 fishery.

26 (b) The commission shall establish the maximum number of units
27 of gear for the fisheries enumerated in (a) of this section at levels
28 which will reasonably promote the rapid economic recovery and the
29 improved sustained yield management of those fisheries. The maximum

1 number of units of gear established for the fisheries enumerated in
2 (a) of this section shall be no less than 75 per cent of the average
3 number of units of gear fished during the four years directly preceding
4 January 1, 1973.

5 Sec. 16.43.175. MAXIMUM NUMBER OF UNITS OF TROLL GEAR. The
6 maximum number of units of troll gear shall equal the number of quali-
7 fied applicants for troll gear entry permits under the standards set
8 out in sec. 205 of this chapter.

9 ARTICLE 4. ENTRY PERMITS.

10 Sec. 16.43.180. PERMIT REQUIRED. (a) After January 1, 1974, no
11 person may operate gear engaged in the commercial taking of specific
12 fishery resources designated by the commission under sec. 120(a)(1) of
13 this chapter without a valid entry permit or a valid interim entry
14 permit issued by the commission.

15 (b) A permit is not required of a crewman or other person assist-
16 ing in the operation of a unit of gear engaged in the commercial taking
17 of specific fishery resources designated by the commission under sec.
18 120(a)(1) of this chapter as long as the holder of an entry permit or an
19 interim entry permit is at all times present and actively engaged in the
20 operation of that particular unit of gear.

21 (c) A person may hold more than one entry permit issued or trans-
22 ferred under this chapter only for the following purposes:

- 23 (1) fishing more than one type of gear;
24 (2) fishing in more than one administrative area;
25 (3) harvesting fishery resources for which separate entry
26 permits are issued;
27 (4) transferring entry permits for alternative types of
28 legal gear as provided in sec. 250 of this chapter.

29 Sec. 16.43.190. INTERIM ENTRY PERMIT; QUALIFICATIONS. (a) Pending

1 the establishment of the maximum number of units of gear under secs.
2 160 - 170 of this chapter and the issuance of entry permits under sec.
3 220 of this chapter, the commission shall issue interim entry permits
4 under regulations promulgated by the commission for each type of gear
5 and for each administrative area, to all applicants who can establish
6 their present ability to participate actively in the fishery for which
7 they are making application.

8 (b) Before the issuance of the maximum number of entry permits
9 for a given administrative area, the commission may issue interim
10 entry permits to any applicant who may later become eligible for an
11 entry permit under sec. 220 of this chapter.

12 Sec. 16.43.200. ENTRY PERMIT QUALIFICATIONS. (a) Following the
13 establishment of the maximum number of units of gear under secs. 160 -
14 170 of this chapter, the commission shall adopt regulations setting out
15 the qualifications for entry permits for each administrative area and
16 for each type of gear. The regulations shall define reasonable priority
17 classifications of similarly situated applicants based upon a reasonable
18 balance of the following standards of preference:

19 (1) degree of economic dependence upon the fishery, including
20 but not limited to percentage of income derived from the fishery, reli-
21 ance on alternative occupations, availability of alternative occupations,
22 investment in vessels and gear, and considering appropriate adjustments
23 for cost of living;

24 (2) extent of past participation in the fishery, including
25 but not limited to the number of years participation in the fishery,
26 and the consistency and character of participation during each year.

27 Sec. 16.43.205. QUALIFICATIONS FOR TROLL GEAR ENTRY PERMITS.
28 Each applicant who held a troll gear license issued under AS 16.05.550
29 and made commercial landings during any one of the three years directly

1 preceding January 1, 1973 shall qualify for the issuance of entry per-
2 mits under sec. 220(e) of this chapter.

3 Sec. 16.43.210. APPLICATION FOR ENTRY PERMITS. (a) The commis-
4 sion shall accept applications for entry permits only from applicants
5 who have harvested fishery resources commercially while participating
6 in the fishery as holders of gear licenses issued under AS 16.05.536 -
7 16.05.670.

8 (b) The commission shall establish the opening and closing dates,
9 places and form of application for entry permits for each type of gear
10 and each administrative area. The commission may require the submission
11 of specific verified evidence establishing the applicant's qualifica-
12 tions under the regulations adopted under sec. 200 of this chapter.

13 (c) When an applicant is unable to establish his qualifications
14 for an entry permit by submitting the specific verified evidence re-
15 quired in the application by the commission, he may request and obtain
16 an administrative adjudication of his application according to the pro-
17 cedures established in secs. 130 - 140 of this chapter. At the hearing
18 he may present alternative evidence of his qualifications for an entry
19 permit.

20 (d) An applicant shall be assigned to a priority classification
21 based solely upon his qualifications as of January 1, 1973.

22 Sec. 16.43.220. ISSUANCE OF ENTRY PERMITS. (a) After the closing
23 date for applications established by the commission under sec. 210(b)
24 of this chapter, the commission shall assign each qualified applicant to
25 the appropriate priority classification as determined under sec. 200 of
26 this chapter based upon the evidence of his qualification established
27 under sec. 210 of this chapter.

28 (b) The commission shall issue entry permits, for each administra-
29 tive area and each type of gear, first to all qualified applicants in

1 the highest priority classification, and then to all qualified appli-
2 cants in each descending priority classification, until the number of
3 entry permits issued equals the maximum number of units of gear estab-
4 lished under secs. 160 - 170 of this chapter for each administrative
5 area and each type of gear.

6 (c) If, within the lowest priority classification of qualified
7 applicants to which some entry permits may be issued, there are more
8 applicants than there are entry permits to be issued, then the alloca-
9 tion of entry permits within that priority classification shall be by
10 lottery.

11 (d) If, at the time entry permits are issued, some applicants are
12 still appealing the findings of an administrative adjudication under
13 sec. 210 of this chapter, a sufficient number of permits shall be re-
14 served out of the permits to be issued, to protect the rights of those
15 applicants, assuming all the appeals will be resolved in favor of the
16 applicants. In the event that all appeals are not resolved in favor
17 of the applicants, the remaining entry permits shall be allocated to
18 the next most qualified applicants as provided in (a), (b) and (c) of
19 this section.

20 (e) The commission shall issue entry permits for troll gear to
21 applicants who qualify under sec. 205 of this chapter.

22 Sec. 16.43.230. TERMS AND CONDITIONS OF ENTRY PERMITS. (a) Each
23 entry permit gives the permittee a personal right to operate a unit of
24 a specified type of gear within a specified administrative area.

25 (b) The permittee must have the entry permit in his possession
26 at all times when engaged in the commercial harvest of fishery resources
27 enumerated by the commission pursuant to its authority under sec. 120-
28 (a)(1) of this chapter.

29 (c) Each entry permit is issued for an initial term of one year,

1 and confers upon the permittee a permanent right of renewal. Failure
2 to renew an entry permit annually does not result in the loss of the
3 right to renew the permit upon payment of all accrued annual fees,
4 except that failure to renew an entry permit for a period of five years
5 from the date of issue or date of last renewal shall result in a for-
6 feiture of the entry permit.

7 (d) The commission shall establish terms and conditions upon which
8 entry permits may survive the death of the permittee.

9 (e) Except as provided by the commission, an entry permit may not
10 be pledged or hypothecated and is not subject to attachment, distraint,
11 or sale on execution of judgment.

12 Sec. 16.43.240. FEES. (a) Except as provided in (b) and (c)
13 of this section, there is an annual fee of \$50 for the issuance and
14 annual renewal of entry permits or interim entry permits. The commis-
15 sion may adopt regulations revising the amount of renewal fees to
16 reflect the cost of administering this chapter. Fees collected under
17 this section shall be paid into the general fund.

18 (b) When entry permits are issued under sec. 220 of this chapter,
19 any applicant who will receive an entry permit and who has a net family
20 income falling within the Federal Social Security Administration poverty
21 guidelines for the year directly preceding the issuance of the entry
22 permit may elect to receive a permit subject to a five-year prohibition
23 on any transfer under sec. 250 of this chapter. Entry permits subject
24 to the five-year prohibition on transfer may be transferred under the
25 emergency transfer provisions of sec. 255 of this chapter and shall
26 survive the death of the holder under sec. 230(d) of this chapter and
27 are subject to a maximum fee of \$5 for the issuance and annual renewal
28 of the entry permit during the five-year period.

29 (c) When interim entry permits are issued under sec. 190 of this

1 chapter any applicant receiving an interim entry permit who has a net
2 family income falling within the Federal Social Security Administration
3 poverty guidelines for the year directly preceding the issuance of the
4 interim entry permit shall be subject to a maximum fee of \$5 for the
5 issuance and annual renewal of an interim entry permit.

6 Sec. 16.43.250. TRANSFER OF ENTRY PERMITS. (a) The holder of an
7 entry permit may apply to the commission to transfer his permit to
8 another person. If the proposed transferee can establish present
9 ability to participate actively in the fishery, and the proposed trans-
10 fer is otherwise consistent with the purposes of this chapter, the
11 commission shall approve the transfer application and reissue the entry
12 permit to the transferee.

13 (b) When otherwise consistent with the purposes of this chapter,
14 the commission may adopt regulations providing for the transfer and
15 reissuance of entry permits within a given administrative area from one
16 type of gear to another type of gear. The regulations shall reflect the
17 relative differences in average efficiency of different types of gear
18 and shall establish transfer ratios between types of gear which will
19 maintain a stable level of fishing within that administrative area.

20 Sec. 16.43.255. EMERGENCY TRANSFERS. The commission shall adopt
21 regulations providing for the temporary transfer of an entry permit
22 when sickness, injury, or other unavoidable hardship temporarily pre-
23 vents the entry permit holder from participating in the fishery.

24 Sec. 16.43.260. REISSUANCE OF ENTRY PERMITS. When additional
25 entry permits become available for issuance, either due to an increase
26 in the maximum number of units of gear under sec. 170 of this chap-
27 ter or the forfeiture of existing entry permits under sec. 230(c)
28 of this chapter, the commission shall adopt regulations consistent
29 with the purposes of this chapter, providing for the issuance of

1 such permits.

2 ARTICLE 5. ESTABLISHMENT OF OPTIMUM NUMBER OF
3 UNITS OF GEAR.

4 Sec. 16.43.270. OPTIMUM NUMBER OF UNITS OF GEAR. Following the
5 issuance of entry permits under sec. 220 of this chapter, the
6 commission shall establish the optimum number of units of gear for
7 each type of gear and for each administrative area based upon a
8 reasonable balance of the following general standards:

9 (1) the number of units of gear that will result in a
10 reasonable average rate of economic return to the fishermen participat-
11 ing in that fishery, considering time fished and necessary capital
12 investments in vessels and gear;

13 (2) the number of units of gear necessary to harvest the
14 allowable commercial take of the fishery resource during all years in
15 an orderly, efficient manner, and consistent with sound fishery
16 management techniques.

17 Sec. 16.43.280. REVISIONS OF OPTIMUM NUMBER OF UNITS OF GEAR. (a)
18 The commission may increase or decrease the optimum number of units of
19 gear for a type of gear or an administrative area, when one or more of
20 the following conditions makes a change desirable considering the
21 purposes of this chapter.

22 (1) An established long-term change in the biological con-
23 dition of the fishery resource has occurred which substantially alters
24 the optimum number of units of gear permissible applying the standards
25 set out in sec. 270 of this chapter.

26 (2) An established long-term change in market conditions has
27 occurred, directly affecting the commercial fishery, which substantially
28 alters the optimum number of units of gear permissible under the
29 standards set out in sec. 270 of this chapter.

1 (3) An established long-term change in the commercial fish-
2 ery, resulting from regulations adopted by the Board of Fish and Game,
3 which substantially alters the optimum number of units of gear permis-
4 sible under the standards set out in sec. 270 of this chapter has occurred.

5 (b) The commission may decrease the optimum number of units of
6 gear for a type of gear or an administrative area only under the
7 voluntary buy-back provisions set out in secs. 290 - 300 of this
8 chapter.

9 ARTICLE 6. REDUCTION TO OPTIMUM NUMBER OF UNITS OF GEAR:

10 VOLUNTARY BUY-BACK PROGRAM.

11 Sec. 16.43.290. ESTABLISHMENT OF BUY-BACK FUNDS. (a) When
12 the optimum number of units of gear is less than the maximum number of
13 units of gear established for a type of gear and administrative area,
14 or when there is a decrease in the optimum number of units of gear
15 under sec. 280 of this chapter, the commission shall establish and
16 administer a buy-back fund for that area and type of gear for the
17 purpose of voluntarily reducing the number of units of gear to the
18 optimum number.

19 (b) For each buy-back fund, the commission shall adopt regulations
20 establishing annual assessments on holders of entry permits of not more
21 than seven per cent of the gross value of the total annual catch attri-
22 butable to a holder's entry permit, except that the holder of a permit
23 who has made no commercial landings in a given year will be assessed
24 the average amount paid by all other holders of the same type of permit
25 in that year. Assessments will be paid into the specific buy-back fund
26 for which they are collected.

27 (c) Buy-back funds and annual assessments established under this
28 section terminate when the number of units of gear is reduced to the
29 optimum number.

1 Sec. 16.43.300. ADMINISTRATION OF THE BUY-BACK PROGRAM. The
2 commission shall adopt regulations providing for the purchase of entry
3 permits, vessels, and gear at fair market value with money accumulated
4 in the buy-back funds for each area and type of gear. The buy-back
5 program shall terminate when the numbers of units of gear are reduced
6 to optimum numbers.

7 ARTICLE 7. GENERAL PROVISIONS

8 Sec. 16.43.310. APPLICATIONS OF REGULATIONS OF BOARD OF FISH AND
9 GAME. Nothing in this chapter limits the powers of the Board of Fish
10 and Game, including the power to determine legal types of gear, and
11 the power to establish size limitations or other uniform restrictions
12 applying to a certain type of gear. Holders of entry permits issued
13 under this chapter are subject to all valid regulations adopted
14 by the Board of Fish and Game.

15 Sec. 16.43.320. PENALTIES. (a) A person who violates sec. 180 of
16 this chapter or a rule or regulation promulgated under this chapter is
17 guilty of a misdemeanor and, upon conviction, is punishable by a fine
18 of not more than \$5,000 for a first conviction, a fine of not more than
19 \$10,000 for a second conviction, and a fine of not more than \$10,000,
20 and the permanent loss of eligibility for an entry permit, for a third
21 conviction.

22 (b) A person who makes a false statement of a material fact in
23 making application for an entry permit, or for the purposes of obtaining
24 an emergency transfer, is guilty of a misdemeanor and, upon conviction
25 is punishable by a fine of not more than \$10,000 and the permanent loss
26 of eligibility for an entry permit.

27 Sec. 16.43.330. DEFINITIONS. In this chapter

28 (1) "allowable commercial take" means the approximate size
29 range of the anticipated commercial harvest of a species under sustained

1 yield management implemented by regulations adopted by the Board of
2 Fish and Game and emergency regulations adopted by the commissioner of
3 fish and game;

4 (2) "commission" means Alaska Commercial Fisheries Entry
5 Commission;

6 (3) "gear" means the specific apparatus used in the commercial
7 harvest of a fishery resource and includes, by way of example, purse
8 seines, drift gillnets, set gillnets, troll gear, and shellfish pots;

9 (4) "type of gear" means a customary and identifiable classi-
10 fication of gear including those classifications for which separate
11 regulations are adopted by the Board of Fish and Game and for which
12 separate gear licenses are required by AS 16.05.550 - 16.05.630, and
13 including distinct subclassifications of gear such as "power troll
14 gear" and "hand troll gear";

15 (5) "unit of gear" means the maximum amount of a specific
16 type of gear which can be fished under a single gear license subject
17 to all valid regulations established by the Board of Fish and Game de-
18 fining the legal requirements for that type of gear;

19 (6) "priority classification" means the allocation of po-
20 tential permit applicants into reasonable groupings of similarly
21 situated applicants and the priority ranking of those groupings
22 according to the extent to which they satisfy the statutory standards
23 of preference;

24 * Sec. 2. AS 16.05.250(14) is amended to read:

25 (14) establishment of the times and dates during which the
26 issuance of fish and game licenses, permits, and registrations and the
27 transfer of permits and registrations between registration areas, game
28 management units or subunits, is allowed; however, this paragraph does
29 not apply to permits issued or transferred under ch. 43 of this title.

1 * Sec. 3. This Act takes effect on the day after its passage and approval
2 or on the day it becomes law without approval.
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JUNEAU ALASKA

Alaska State Legislature House

FINANCE COMMITTEE BILL ASSIGNMENT

TO: Representative Haugen DATE: March 8, 1973
House Finance Committee

FROM: Earl D. Hillstrand
Chairman
House Finance Committee

BILL NO.: HOUSE BILL 126

TITLE: "An Act relating to the regulation of entry into Alaska commercial fisheries; and providing for an effective date."

COMMENTS: This bill has been referred to you for your review and research and eventual presentation to the committee for their consideration.

MEMORANDUM

TO : Representative Earl D. Hillstrand, Chairman,
House Finance Committee

FROM: Frank Flavin, Attorney for South Naknek

SUBJ: Limited Entry - Study - Revised Transferability

DATE: March 21, 1973

Attached is a proposed amendment setting up a study on the transferability question. Basically the amendment will call for Commission study and recommendations to the Legislature during the Interim period while optimum gear levels, etc., are being set, and before any permanent permits are issued. This is much different than leaving the decision up to the Commission or creating a moratorium on the transfer of permanent permits. As long as the final transfer decision is made before anyone is permanently locked into or out of the fishery no legal problems should result.

The need for further study is clear:

1. No existing studies on economic impact of free transfer.
2. No existing studies on alternative transfer methods.
3. No studies on existing entry programs in other areas before the Legislature.
4. No existing study of credit financing problem in fishery.

This amendment is needed to fully analyze the impact of limited entry on crew members and indebted fishermen.

Thank you for your consideration on this proposal and throughout the session.

Frank Flavin

FF:fm

Enclosure

Sec. 16.43.220 INITIAL ISSUE OF ENTRY PERMITS.

. . . .

. . . .

(b) After Legislative determination of permit transferability pursuant to Sec. 250 of this chapter the commission shall issue entry permits

Sec. 16.43.250 TRANSFER OF ENTRY PERMITS. The commission shall study alternative methods of permit transferability and report its findings and recommendations to the Legislature prior to January 1, 1975. Alternative transferability provisions considered shall include, but not be limited to; free transferability, transferability through an apprenticeship program, transferability based upon a point system, transferability through a lottery and any combination of the foregoing. The commission shall study the economic, and management impact of proposed transferability alternatives to include investigation of the credit and financing aspects of the fishing industry. [Option: use Jan. 1, 1974 instead of Jan. 1, 1975].

Introduced: 1/24/73
Referred: Resources, Judiciary
and Finance

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 HOUSE BILL NO. 126

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 EIGHTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the regulation of entry into Alaska
7 commercial fisheries; and providing for an effective
8 date."

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

10 * Section 1. AS 16 is amended by adding a new chapter to read:

11 CHAPTER 43. REGULATION OF ENTRY INTO

12 ALASKA COMMERCIAL FISHERIES.

13 ARTICLE 1. CREATION OF THE ALASKA COMMERCIAL

14 FISHERIES ENTRY COMMISSION.

15 Sec. 16.43.010. PURPOSES AND FINDINGS OF FACT. (a) It is the
16 purpose of this chapter to promote the economic health and stability
17 of commercial fishing in Alaska and the conservation and sustained
18 yield management of Alaska's fishery resource by regulating and con-
19 trolling entry into the commercial fisheries in the public interest and
20 without unjust discrimination. It is also the purpose of this chapter
21 to prevent economic distress among fishermen by stabilizing the levels
22 of participation in the commercial harvest of the species listed in
23 this section at levels reasonably commensurate with the ability of the
24 resource to provide a livelihood for the fishermen participating in
25 that harvest.

26 (b) The legislature finds that commercial fishing for the species
27 listed in this section has reached levels of participation, on either
28 a statewide or area basis, that have impaired or threaten to impair the
29 economic welfare of the fishermen participating in the harvest, the

1 overall economic efficiency of the harvest and the sustained yield
2 management of the fishery resource:

- 3 (1) red salmon (*Oncorhynchus nerka*)
- 4 (2) pink salmon (*Oncorhynchus gorbuscha*)
- 5 (3) chum salmon (*Oncorhynchus keta*)
- 6 (4) coho salmon (*Oncorhynchus kisutch*)
- 7 (5) king salmon (*Oncorhynchus tshawytscha*)

8 Sec. 16.43.020. ALASKA COMMERCIAL FISHERIES ENTRY COMMISSION. (a)

9 There is established the Alaska Commercial Fisheries Entry Commission
10 as a regulatory and quasi-judicial agency of the state. The commission
11 consists of five members appointed by the governor and confirmed by
12 the legislature in joint session.

13 (b) The governor shall designate one member of the commission as
14 chairman of the commission. The member designated shall serve as
15 chairman for a term of two years, and may be designated chairman for
16 successive two-year terms.

17 Sec. 16.43.030. TERM OF OFFICE; VACANCY. (a) The members of the
18 commission shall be appointed for terms of four years. Members may be
19 removed by the governor only for cause.

20 (b) A vacancy on the commission shall be filled by appointment by
21 the governor and the appointment shall be confirmed by the legislature
22 in joint session. A member selected to fill a vacancy shall hold office
23 for the balance of the full term for which his predecessor on the com-
24 mission was appointed.

25 (c) A vacancy on the commission does not impair the authority of
26 a quorum of commissioners to exercise all the powers and perform all
27 the duties of the commission.

28 Sec. 16.43.040. QUORUM. Three members of the commission constitute
29 a quorum for the transaction of business, for the performance of a duty,

1 or for the exercise of a power of the commission.

2 Sec. 16.43.050. QUALIFICATIONS. Because the duties of the com-
3 mission require a high degree and a broad range of professional experi-
4 ence, two members shall have been commercial fishermen in Alaska, one
5 member shall have been a fisheries management specialist in Alaska, one
6 member shall be an attorney licensed to practice in Alaska, and one
7 member shall be from the general public.

8 Sec. 16.43.055. COMPENSATION. Members of the commission are in the
9 exempt service and shall receive an initial annual salary at range 28, step
10 B of the state pay plan, subject to merit raises as approved by the governor.

11 Sec. 16.43.060. LEGAL COUNSEL. The attorney general is the legal
12 counsel for the commission. He shall advise the commission in legal
13 matters arising in the discharge of its duties and represent the com-
14 mission in suits to which it is a party.

15 Sec. 16.43.070. EMPLOYMENT AND COMPENSATION OF PERSONNEL. (a)
16 The commission may employ those persons necessary to carry out the
17 purposes of this chapter. Employees of the commission are in the exempt
18 service under AS 39.25.110.

19 (b) In addition to its staff of regular employees, the commission
20 may contract for and engage the services of consultants, experts and
21 hearing officers as necessary.

22 ARTICLE 2. POWERS AND DUTIES OF THE COMMISSION.

23 Sec. 16.43.120. GENERAL POWERS. (a) To accomplish the purposes
24 set out in sec. 10 of this chapter the commission shall:

25 (1) establish administrative areas suitable for regulating
26 and controlling entry into the commercial fisheries;

27 (2) establish, for all types of gear, the maximum number of
28 units of gear for each administrative area;

29 (3) establish qualifications for the issuance of entry per-

1 mits to gear operators;

2 (4) issue entry permits to qualified applicants for up to
3 the maximum number of units of gear established for each administrative
4 area;

5 (5) provide for the transfer and reissuance of entry permits
6 to qualified transferees;

7 (6) provide for the transfer and reissuance of entry permits
8 for alternative types of legal gear, in a manner consistent with the
9 purposes of this chapter;

10 (7) issue interim entry permits as provided in sec. 190 of
11 this chapter;

12 (8) administer the collection of the annual fees provided
13 for in sec. 240 of this chapter.

14 (b) The commission may do all things necessary to the exercise
15 of its powers under this chapter, whether or not specifically designated
16 in this chapter.

17 Sec. 16.43.130. ADMINISTRATIVE AUTHORITY, REGULATIONS AND HEARING
18 PROCEDURES. (a) The commission may adopt regulations, not inconsis-
19 tent with the law, necessary or proper in the exercise of its powers
20 or for the performance of its duties under this chapter.

21 (b) The commission shall adopt regulations, consistent with due
22 process of law, which govern practice and procedure and the conduct
23 of all investigations, hearings and proceedings which it holds.

24 (c) Common law and statutory rules of evidence apply to investi-
25 gations, hearings and proceedings before the commission, except when the
26 commission determines that their application is not required in order
27 to assure fair treatment of all parties and that the evidence is rele-
28 vant and of the sort on which responsible persons are accustomed to rely
29 in the conduct of serious matters.

1 (d) The commission, each commissioner or an employee authorized
2 by the commission may administer oaths, certify to all official acts,
3 and issue subpoenas and other process to compel the attendance of wit-
4 nesses and the production of testimony, records, papers, accounts and
5 documents in an inquiry, investigation, hearings, or proceeding before
6 the commission in any part of the state. The commission may petition
7 a court of this state to enforce its subpoenas or other process.

8 Sec. 16.43.140. APPLICATION OF ADMINISTRATIVE PROCEDURE ACT. (a)
9 The administrative adjudication procedures of the Administrative Pro-
10 cedure Act (AS 44.62) do not apply to adjudicatory proceedings of the
11 commission except that final administrative determinations by the
12 commission are subject to judicial review as provided in AS 44.62.560 -
13 44.62.570.

14 (b) AS 44.62.10-320, 44.62.640 and 44.62.650 apply to regulations
15 adopted by the commission.

16 ARTICLE 3. ESTABLISHMENT OF MAXIMUM NUMBER OF UNITS OF GEAR.

17 Sec. 16.43.150. ADMINISTRATIVE AREAS. (a) The commission shall
18 establish administrative areas suitable for regulating and controlling
19 entry into the commercial fisheries for species listed in sec. 10 of
20 this chapter. The commission shall make the administrative areas
21 reasonably compatible with the geographic areas for which specific
22 commercial fishing regulations are written and according to which the
23 legality of types of gear is defined by the Board of Fish and Game.

24 (b) The commission may modify or change the boundaries of admini-
25 strative areas when necessary and consistent with the purposes of this
26 chapter.

27 Sec. 16.43.160. STANDARDS. The maximum number of units of gear,
28 for each type of gear and for each administrative area, shall be estab-
29 lished by the commission based upon a reasonable balance of the fol-

1 lowing general standards.

2 (1) The number of units of gear which will result in an
3 average level of income to the fishermen participating in that fishery
4 which is adequate and sufficiently stable to sustain a professional
5 fishery.

6 (2) The number of units of gear that is sufficient to fully
7 harvest the allowable commercial take of the fishery resource. Where
8 the allowable commercial take fluctuates substantially from year to
9 year, the number of units of gear is that sufficient to fully harvest
10 the allowable commercial take during any year.

11 (3) The number of units of gear that is manageable (using
12 the standard methods for conservation regulation including manipulation
13 of seasons, fishing periods and catch quotas), without a substantial
14 risk of impairing the sustained yield management of the resource.

15 (4) The number of units of gear commensurate with the history
16 and traditions of the particular fishery which is reasonable and con-
17 sistent with the purposes of this chapter.

18 Sec. 16.43.170. REVISIONS OF MAXIMUM NUMBER OF UNITS OF GEAR.

19 (a) The commission may increase or decrease the maximum number of units
20 of gear for a type of gear or an administrative area, when one or more
21 of the following conditions makes a change desirable considering the
22 purposes of this chapter.

23 (1) An established long-term change in the biological con-
24 dition of the fishery has occurred which substantially alters the maxi-
25 mum number of units of gear permissible applying the standards set forth
26 in sec. 160 of this chapter.

27 (2) An established long-term change in market conditions has
28 occurred, directly affecting the fishery, which substantially alters the
29 maximum number of units of gear permissible under the standards set

1 forth in sec. 160 of this chapter.

2 (3) An established long-term change in the commercial fishery
3 resulting from regulations adopted by the Board of Fish and Game, which
4 substantially alters the maximum number of units of gear permissible
5 under the standards set forth in sec. 160 of this chapter.

6 (b) The commission may decrease the maximum number of units of
7 gear for a type of gear or an administrative area only when provision
8 has been made for the reasonable compensation of each person required
9 to surrender an outstanding entry permit.

10 ARTICLE 4. ENTRY PERMITS.

11 Sec. 16.43.180. PERMIT REQUIRED. (a) After January 1, 1974, no
12 person may operate gear engaged in the commercial taking of a species
13 listed in sec. 10 of this chapter without a valid entry permit or a
14 valid interim entry permit issued by the commission.

15 (b) A permit is not required of a crewman or other person assis-
16 ting in the operation of a unit of gear engaged in the commercial
17 taking of a species enumerated in sec. 10 of this chapter if the holder
18 of an entry permit or an interim entry permit is at all times present
19 and actively engaged in the operation of that particular unit of gear.

20 (c) A person may hold more than one entry permit issued or trans-
21 ferred pursuant to this chapter for any of the following purposes.

22 (1) Fishing more than one type of gear.

23 (2) Fishing in more than one administrative area.

24 (3) Fishing for other species for which separate entry per-
25 mits are issued.

26 Sec. 16.43.190. INTERIM ENTRY PERMIT; QUALIFICATIONS. (a)
27 Pending the establishment of maximum number units of gear pursuant to
28 secs. 160-170 of this chapter and the issuance of entry permits pur-
29 suant to sec. 180 of this chapter, the commission shall issue interim

1 entry permits under regulations promulgated by the commission for each
2 type of gear and for each administrative area, to all applicants who
3 can establish their present ability and intent to participate actively
4 in the fishery.

5 (b) Before the issuance of the maximum number of entry permits
6 for a given administrative area, the commission may issue interim
7 entry permits to any applicant who may later become eligible for an
8 entry permit pursuant to sec. 220 of this chapter.

9 Sec. 16.43.200. ENTRY PERMIT QUALIFICATIONS. (a) Following the
10 establishment of the maximum number units of gear pursuant to sec. 160
11 of this chapter, the commission shall adopt regulations setting forth
12 the qualifications for entry permits for each administrative area
13 and for each type of gear. The regulations shall define reasonable
14 priority classifications of similarly situated potential applicants
15 based upon a reasonable balance of all the following standards of pre-
16 ference.

- 17 (1) Degree of economic dependence upon the fishery.
- 18 (2) Extent of past participation in the fishery.
- 19 (3) Present ability and intent to participate actively
20 in the fishery.

21 Sec. 16.43.210. APPLICATION FOR ENTRY PERMIT. (a) The commission
22 shall establish the opening and closing dates, places and form of appli-
23 cation for entry permits for each type of gear and each administrative
24 area. The commission may require the submission of specific verified
25 evidence establishing the applicant's qualifications under the regula-
26 tions adopted pursuant to sec. 200 of this chapter.

27 (b) When an applicant is unable to establish his qualifications
28 for an entry permit by submitting the specific verified evidence re-
29 quired in the application by the commission, he may request and obtain

1 an administrative adjudication of his application according to the
2 procedures established in secs. 130-140 of this chapter. At the hearing
3 he may present alternative evidence of his qualifications for an entry
4 permit.

5 Sec. 16.43.220. ISSUANCE OF ENTRY PERMITS. (a) After the closing
6 date for applications established by the commission under sec. 210(a)
7 of this chapter, the commission shall assign each qualified applicant to
8 the appropriate priority classification as determined under sec. 200
9 based upon the evidence of his qualification established pursuant to
10 sec. 210 of this chapter.

11 (b) The commission shall issue entry permits, for an administra-
12 tive area and a type of gear, first to all qualified applicants in the
13 highest priority classification, and then to all qualified applicants
14 in each descending priority classification, until the number of entry
15 permits issued equals the maximum number of units of gear established
16 pursuant to secs. 160-170 of this chapter for the administrative area
17 and the type of gear.

18 (c) If, within the lowest priority classification of qualified
19 applicants to which some entry permits may be issued, there are more
20 applicants than there are entry permits to be issued, then the alloca-
21 tion of entry permits within that priority classification shall be by
22 lottery.

23 (d) If, at the time entry permits are issued, some applicants
24 are still appealing the findings of an administrative adjudication pur-
25 suant to sec. 210 of this chapter, a sufficient number of entry permits
26 shall be reserved out of the permits to be issued, to protect the
27 rights of those applicants, assuming all the appeals will be resolved
28 in favor of the applicants. In the event that all appeals are not
29 resolved in favor of the applicants, the remaining entry permits shall

1 be allocated to the next most qualified applicants as provided in (a),
2 (b) and (c) of this section.

3 Sec. 16.43.230. TERMS AND CONDITIONS OF ENTRY PERMIT. (a) Each
4 entry permit gives the permittee a personal right to operate a unit of
5 a specified type of gear within a specified administrative area.

6 (b) The permittee must have the entry permit in his possession
7 at all times when engaged in the commercial taking of a species enumer-
8 ated in sec. 10 of this chapter.

9 (c) Each entry permit is issued for an initial term of one year,
10 and confers upon the permittee a permanent right of renewal. Failure
11 to renew an entry permit annually does not result in the loss of the
12 right to renew the permit upon payment of all accrued annual fees,
13 except that failure to renew an entry permit for a period of five years
14 from the date of issue or date of last renewal shall result in a for-
15 feiture of the entry permit.

16 (d) The commission may establish terms and conditions upon which
17 entry permits may survive the death of the permittee.

18 (e) Except as provided by the commission, an entry permit may not
19 be pledged or hypothecated and is not subject to attachment, distraint,
20 or sale on execution of judgment.

21 Sec. 16.43.240. FEES. There is an annual fee of \$50 for the
22 issuance and annual renewal of entry permits or interim entry permits.
23 The commission may adopt regulations revising the amount of renewal fees
24 to reflect the cost of administering this chapter. Fees collected under
25 this section shall be paid into the general fund.

26 Sec. 16.43.250. TRANSFER OF ENTRY PERMITS. (a) The holder of an
27 entry permit may apply to the commission to transfer his permit to
28 another person. If the proposed transferee can establish present ability
29 and intent to participate actively in the fishery, and the proposed

1 transfer is otherwise consistent with the purposes of this chapter,
2 the commission shall approve the transfer application and reissue
3 the entry permit to the transferee.

4 (b) When otherwise consistent with the purposes of this chapter,
5 the commission may adopt regulations providing for the transfer and
6 reissuance of entry permits within a given administrative area from one
7 type of gear to another type of gear. The regulations shall reflect
8 the relative differences in average efficiency of different types of
9 gear and shall establish transfer ratios between types of gear which
10 will maintain a stable level of fishing within that administrative
11 area.

12 Sec. 16.43.260. NEW ENTRY. Whenever additional entry permits
13 become available for issuance, either due to an increase in the maximum
14 number of units of gear pursuant to sec. 170 of this chapter or the for-
15 feiture of existing entry permits pursuant to sec. 230(c) of this
16 chapter, the commission shall adopt regulations consistent with the
17 purposes of this chapter, providing for the issuance of such permits.

18 ARTICLE 5. GENERAL PROVISIONS.

19 Sec. 16.43.270. APPLICATIONS OF REGULATIONS OF BOARD OF FISH
20 AND GAME. Nothing in this chapter limits the powers of the Board of
21 Fish and Game, including the power to determine legal types of gear,
22 and the power to establish size limitations or other uniform restrictions
23 applying to a certain type of gear. Holders of entry permits issued
24 pursuant to this chapter are subject to all valid regulations adopted
25 by the Board of Fish and Game.

26 Sec. 16.43.280. PENALTIES. A person who violates sec. 180 of
27 this chapter or a rule or regulation promulgated under this chapter is
28 guilty of a misdemeanor and, upon conviction, is punishable by a fine
29 of not more than \$5,000 for a first conviction, a fine of not more than

1 \$10,000 for a second conviction, and a fine of not more than \$10,000,
2 and the permanent loss of eligibility for an entry permit, for a third
3 conviction.

4 Sec. 16.43.290. DEFINITIONS. In this chapter

5 (1) "allowable commercial take" means the approximate size
6 range of the anticipated commercial harvest of a species under sustained
7 yield management implemented by regulations adopted by the Board of
8 Fish and Game and emergency regulations adopted by the Commissioner of
9 Fish and Game;

10 (2) "commission" means Alaska Commercial Fisheries Entry
11 Commission;

12 (3) "gear" means the specific apparatus used in the commer-
13 cial harvest of a species, and includes, by way of example, purse
14 seines, drift gill nets, set gill nets, and troll gear;

15 (4) "type of gear" means a customary and identifiable classi-
16 fication of gear including those classifications for which separate
17 regulations are adopted by the Board of Fish and Game and for which
18 separate gear licenses are required by AS 16.05.550-630.

19 (5) "unit of gear" means the maximum amount of a specific
20 type of gear which can be fished under a single gear license subject
21 to all valid regulations established by the Board of Fish and Game de-
22 fining the legal requirements for that type of gear;

23 (6) "priority classification" means the allocation of po-
24 tential or actual permit applicants into reasonable groupings of simi-
25 larly situated applicants and the priority ranking of those groupings
26 according to the extent to which they satisfy the statutory standards
27 of preference;

28 (7) "reasonable compensation" means the lesser of either the
29 cost of acquiring by transfer and purchase an equivalent entry permit

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for the same registration area, or the difference in value between the fair market value of gear without an entry permit and the fair market value of gear with an entry permit.

* Sec. 2. AS 44.62.330(a) is amended by adding a new subsection to read:

(35) Alaska Commercial Fisheries Entry Commission

* Sec. 3. This Act takes effect on July 1, 1973.

Mr. Earl Hillstrand
Chairman of the Finance Committee

(for the record)

My name is Archie Gottschalk. I am from the Bristol Bay village of Nabnek.

I favor the ~~Regulatory~~ ^{behind} philosophy of limited entry to preserve the salmon stocks on other sea resources. The ^{main} issue that I see your body deliberating over at this time regarding limited entry and transferability of permits is who is to control the wealth produced ^{from the salmon stocks}. This issue may bog down limited entry legislation. May I ~~suggest~~ suggest, ^{with} at my youth that if limited entry is to pass this session let it pass with no transferability of permit at this time; let there be ~~study~~ ^{studies} as to whom ~~this~~ transferability of permits will effect — who will benefit and who will not.

With another year like last year ('72) in Bristol Bay there may ~~be~~ be a great number of resident fishermen forced to sell ~~their~~ their permits ~~more~~ to merely "pull" their families through the year.

As Mr. Barber pointed out today any legislation that passes ~~today~~ ^{considered} ~~is~~ ^{is} during this session can be changed in future sessions. It will show your concern for the resource if a limited entry program were to pass ~~to~~ this session. It will also show ~~your~~ ^{your} concern for the Alaskan constituency if no transferability of permits were to pass with an ~~amendment~~ ^{amendment} forthcoming based upon adequate study as to whom it ~~or~~ will not benefit.

I am sure the Alaskan people will look favorably upon such a legislation knowing that a conservative

Mr. Earl Hillstrand
Chairman of the Finance Committee

(for the record)

My name is Archie Gottschalk. I am from the Bristol Bay village of Nabrek.

I favor the ~~Regulatory~~ ^{behind} philosophy of limited entry to preserve the salmon stocks on other sea resources. The ^{major} issue that I see your body deliberating over at this time regarding limited entry and transferability of permits is who is to control the wealth produced ^{from the salmon stocks}. This issue may bog down limited entry legislation. May I ~~also~~ suggest, ^{in my} at my youth that if limited entry is to pass this session let it pass with no transferability of permit at this time; let there be ~~study~~ studies as to whom ~~this~~ transferability of permits will effect — who will benefit and who will not.

With another year like last year ('72) in Bristol Bay there may ~~be~~ be a great number of resident fishermen forced to sell ~~their~~ their permits ~~or~~ to merely "pull" their families through the year.

As Mr. Barber pointed out today any legislation that passes ~~the~~ ~~session~~ ~~can~~ ~~be~~ ~~changed~~ ~~in~~ ~~the~~ ~~is~~ during this session can be changed in future sessions. It will show your concern for the resource if a limited entry program were to pass ~~to~~ this session. It will also show ~~your~~ ^{your} concern for the Alaskan constitution if no transferability of permits were to pass with an ~~amendment~~ amendment forthcoming based upon adequate study as to whom it ~~or~~ will not benefit.

I am sure the Alaskan people will look favorably upon such a legislation knowing that a conservative

approach to the limited entry problem is being taken.
If a no transferability of permits is unconstitutional
Wanda you I do hope that your body takes a
conservative approach to the problem.

Thank You.

III. ANALYSIS HB 126 AND CS

A. Assumptions:

The cost of the limited entry program will be paid for from entry permit revenues, which will go into the general fund. Interim entry permits must be issued by January 1, 1974. The appropriation for the commission will be an advance against anticipated revenues to the general fund.

B. Program Summary:

The Alaska Commercial Fisheries Entry Commission is a new body that will implement a new and complex program limiting and stabilizing the amount of gear in the State's commercial fisheries. This program, accomplished through the issuance of entry permits, will benefit Alaska's fisheries resources and alleviate the economic distress of her fishermen.

PERSONNEL SERVICES

<u>Permanent Employees</u>	Range	Salary
3 Comm'ssioners	28-B (28,404)	85,212
1 Executive Director	27	27,372
1 Administrative Officer I	17	14,112
1 Permit Officer	16	13,104
1 Secretary II	11	9,072
1 Secretary I	10	8,424
1 Clerk Typist III	9	7,824
1 Commercial Fisheries Coord.	26	26,388
2 Chief Hearing Examiners	25 (25,428)	50,856
1 Buy-Back Manager	27	27,372
1 Secretary	10	8,424
1 Research Analyst IV	21-A	18,948
1 Programmer IV	19	16,344
1 Research Analyst II	16	13,104
1 Statistical Clerk II	9	7,824
1 Accountant II	14	11,316
2 Clerk Typist III	9 (7,824)	15,648
1 Clerk IV	9	7,824
1 Secretary III	12	9,768
	Sub-total	388,704
	Benefits - 20%	77,740
	Personnel Svc.	
	Sub-total	466,444

Temporary Employees

8 Clerk Typist III	9 (6 months each)	31,296
	Benefits - 7%	2,190
		33,486

TOTAL PERSONNEL SERVICES

499,930

TRAVEL

40,000

CONTRACTUAL SERVICES

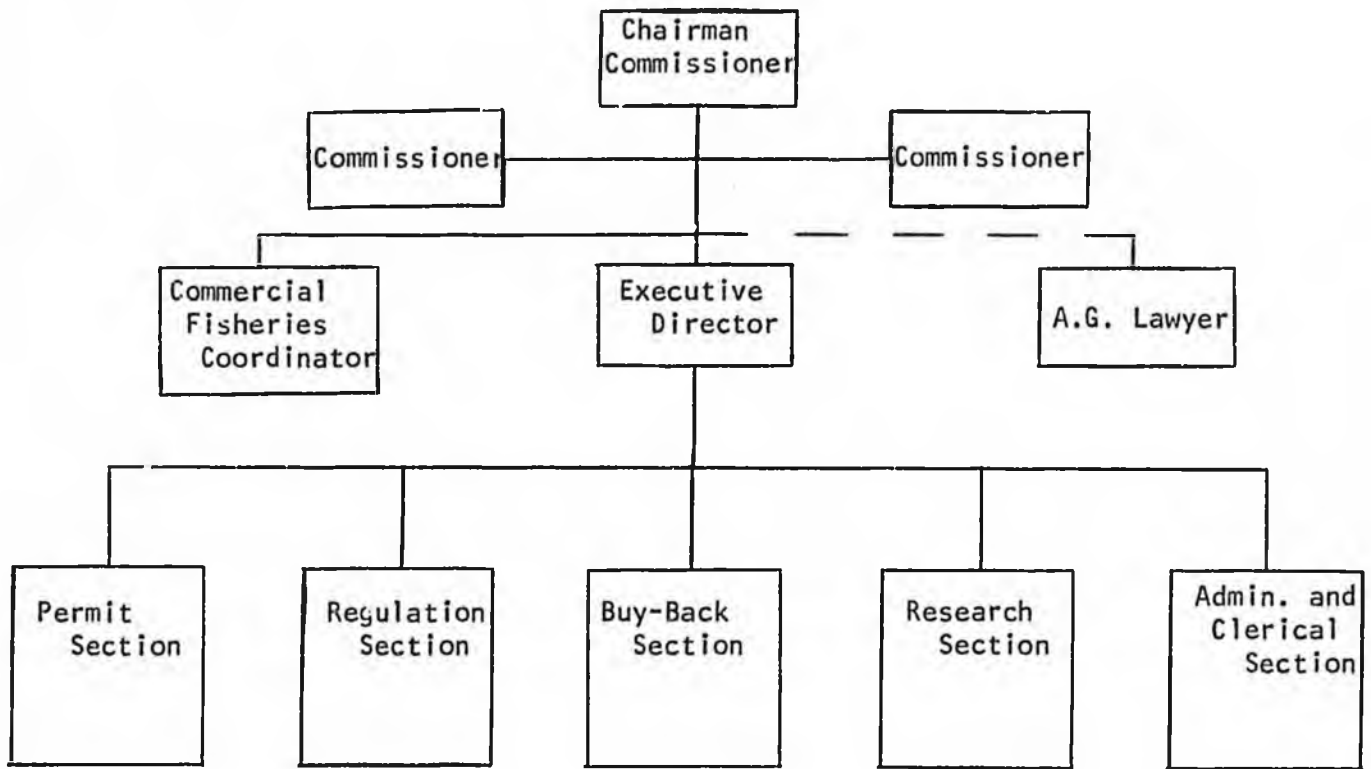
Phone	25,000
Postage	24,000
Printing	15,000
Rent	24,000
Moving Expenses	10,000
Rental of Equipment	15,000
Computer	25,000
Professional Services	45,000
TOTAL CONTRACTUAL SERVICES	183,000

Commodities 10,000

Equipment 20,000

TOTAL 762,930

ATTACHMENT A: ORGANIZATION AND STAFFING CHART
 HB 126 and CS



Permit Section

Permit Officer
 Accountant
 File Clerk
 Clerk Typist
 Clerk Typist

Regulation Section

Chief Hearing Examiner
 Chief Hearing Examiner

Buy-Back Section

Buy-Back Manager

Research Section

Research Director
 (Research Analyst IV)
 Research Analyst II
 Programmer
 Statistical Technician
 Statistical Clerk

Administrative and Clerical Section

Administrative Officer
 Secretary III
 Secretary II
 Secretary
 Secretary
 Clerk Typist
 Temporary Clerk Typists - 8

ATTACHMENT B

RELATIONSHIP OF COSTS FOR HB 126 AND JUDICIARY CSHB 126
TO GOVERNOR'S PROGRAM AS FUNDED IN HB 71

HB 71 appropriates \$350,000 to fund SB 39, creating an Alaska Commercial Fisheries Entry Commission. It also appropriates \$50,000 to continue the work of the Limited Entry Study Group, created last year under Ch 186, SLA 72, which researched and developed the Governor's limited entry program for Alaska's fisheries. HB 126 as introduced by the Resources Committee added two members to the three-man commission called for in SB 39. That addition would require \$70,704 in salaries and benefits. HB 126 as passed out by the House Resources and Judiciary committees dropped the number of commissioners back to three.

The governor's program deals only with salmon at the outset and would have the limited entry study group recommend to the legislature additional species that should be included under limited entry, concentrating on a study of the crab, herring and shrimp fisheries. The judiciary committee substitute immediately includes all species under limited entry, eliminating the need for the study group, but raising the cost of implementing limited entry, since gear for all species is included, not just salmon. Because of this change and expansion, the judiciary CSHB 126 would require an appropriation of an estimated \$762,930.

Under either bill, many of the equipment costs such as desks and calculators are one time expenditures needed to establish the commission. Similarly, professional services contains certain one-time costs such as a systems analyst to design the kind of information system most useful to the commission. Since the limited entry program will be breaking new ground in the United States, it is difficult to foresee with complete accuracy all that may be encountered during the first years of its operation. The considerations in this fiscal note represent the best efforts of the Limited Entry Study Group to anticipate the tasks and difficulties ahead.

Initially under the judiciary committee's bill the commission's work will be to set up procedures for issuing interim entry permits, then to determine maximum gear levels for each type of gear and each area of the state. All species would be dealt with. It would then, area by area, and for each type of gear within an area, draft and hold hearings on the specific regulations that will be used to decide who qualifies for an entry permit. Application forms would have to be prepared, and after final regulations are adopted applications would have to be evaluated and permanent permits issued. In certain areas, interim entry permits will have to be re-issued annually until the procedures for issuing permanent permits can be completed. Once entry permits are issued for a type

of gear in an area, the commission would have to establish the optimum gear levels for that type of permit, and then if appropriate establish regulations and implement a buy-back fund.

Under the governor's bill the commission's immediate job would be to deal only with salmon, and the order of events would be somewhat different. Interim permits would still be issued. Then, however, optimum gear levels would be determined by area and type of gear and regulations established through local hearings to determine detailed qualifications for an entry permit. After the regulations are set up, applications for permanent entry permits would be issued, received and evaluated and permanent permits would be issued.

Under either the governor's program or the judiciary committee substitute, interim entry permits must be issued by January 1, 1974. Under the governor's program, the commission could be expected to issue permanent entry permits first in those areas and salmon fisheries currently under the greatest pressure, so that the level of gear would be stabilized. Other fisheries could continue to operate under interim entry permits. Perhaps through an error in drafting, the judiciary committee substitute would require the commission to receive applications for all permanent entry permits within one year, creating a huge, if not impossible, task, which if carried out would considerably shorten the period in which interim permits were issued. The committee may wish to consider amending that provision, which is the last sentence in 16.43.210(a).

The Governor anticipated that, conservatively, interim entry permits issued for salmon gear by January 1, 1974 would put at least \$490,000 into the general fund, considering that only those 9,800 persons licensed for salmon gear in 1972 would apply. Actually the figure is expected to be at least \$740,000. This income to the general fund would at least offset the \$400,000 appropriation sought for the work of the limited entry commission and for the continued work of the limited entry study group.

Under the judiciary committee substitute, interim entry permits for all types of gear would have to be issued by January 1, 1974. Allowing for the judiciary committee option permitting poverty income people to elect to receive an entry permit that is non-transferable for five years and has an annual fee of only \$5, interim entry permit income is still conservatively expected to be \$700,000. In fact, permit revenue will more than offset the \$762,930 entailed in implementing the judiciary committee substitute effectively.

The above figures are based on approximately 9,800 gear licenses fished in 1972 under the governor's bill limiting entry to the salmon fishery, and approximately 14,000 gear licenses fished in 1972 for all fisheries, under the judiciary committee bill. Annual turnover in gear licenses has been approximately 3,000 people a year for the past few years, and many people who did not fish in 1972 can be counted on to apply for interim entry permits.

Preliminary estimates of the actual number of people who will get interim entry permits are at least 14,800 for salmon gear

and 21,000 for all types of gear. This would mean approximately \$740,000 under SB 39 or \$1,050,000 under the House Judiciary Committee Substitute.

Precise information on the number of people eligible for the special \$5 annual entry permit option in the judiciary committee substitute cannot be developed on short notice. However, a rough estimate from the Department of Health and Social Services is that a maximum of 800 individuals might qualify. In the unlikely event that even double that number qualify for and choose the \$5 permit option, the result would not drop interim permit income below a level where it could fund limited entry commission operations.

In the interest of each reference between various state and federal agencies, the committee may wish to consider changing the characterization of the poverty guidelines that appears on line 12, page 11 of the judiciary committee substitute. The Department of Health and Social Services says that it and most other agencies use the Office of Economic Opportunity poverty guidelines. The department said they are the same as the Federal Social Security Administration guidelines, and a language substitution might be in order. Those guidelines are as follows:

SOCIAL SECURITY ADMINISTRATION POVERTY GUIDELINE

25% adjustment for Alaska

	<u>Family Size</u>
\$2,625	1
3,425	2
4,325	3
5,250	4
6,175	5
6,950	6
7,750	7

The governor's program would bring salmon fishery participation from current levels to optimum levels in one step, without providing compensation for those eliminated from the fishery. The judiciary committee substitute would create a voluntary buy-back program for entry permits, vessels, and gear, funded by assessments of up to 7 per cent of the gross value of the total annual catch attributable to a holder's entry permit. Buy-back would be from levels established in the bill to optimum levels set by the commission. Separate buy-back programs would be established for each type of gear within each of the administrative areas set up by the limited entry commission. It appears unlikely that any buy-back fund will be in operation in 1973, although planning to develop buy-back mechanisms should be started.

Because of the desire to "fish while it lasts", a noticeable gap can be expected between the revenues from interim entry permits and those from permanent entry permits. At the same time, the work of the commission concerning each area and type of gear for which

permanent permits are issued will lessen once the work involved in issuing the permits is completed. This indicates a trend toward diminishing the size and scope of the commission's activities, so that it would require less money annually after the first burdensome years of its operation. However, the administration of buy-back programs under the judiciary committee substitute will become more and more prominent as permanent entry permits are issued and buy-back programs set up for different areas.

The Legislature of the State of Alaska
 FISCAL NOTE
 First Session - Eighth Legislature

HB 126
 Ch 79

I. REQUEST

Bill Identification: HB 126 & CS
 Title: Limited Entry
 Requested by: Legislative Finance Date: 3/8/73
 Return Date Requested: 3/15/73
 Agency: Department of Law Program: _____

II. FISCAL DETAIL

Budget Request Unit(s) Affected: \$762,930

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 73	FY 74	FY 75	FY 76	FY 77	FY 78
100 PERSONAL SERVICES		500.0				
200 TRAVEL		50.0				
300 CONTRACTUAL		183.0				
400 COMMODITIES		10.0				
500 EQUIPMENT		20.0				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		763.0				

B. FUNDING: (Thousands of dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	/	24/8	/	/	/	/
MAN MONTHS (P./T.)	/	288/48	/	/	/	/

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Please see attached sheet

IV. ATTACHMENTS

Attachment A: Organization and Staffing Chart

Attachment B: Relationship of HB 71 to HB 126 and Judiciary CSHB 126

V. DATE: March 12, 1973 PREPARED BY: Allan B. Adasiak

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)



RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James O. Smith
Signature of Camera Operator

4/26/89
Date

"An Act establishing a working capital reserve fund for the University of Alaska; and providing for an effective date."

COMMITTEE REPORT

2--28-73

HOUSE

Mr. Speaker:

Date 3-20-73

The Committee on FINANCE has had HB 130

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 HB 130 AND THAT
CS FOR HB 130 DO PASS

"and" recommends it BE REFERRED TO THE _____
COMMITTEE

reports it back WITHOUT RECOMMENDATION

"other"

Members signing the Majority report:

_____	_____	_____
_____	<u>F. ...</u>	_____
<u>...</u>	<u>...</u>	_____
_____	<u>...</u>	_____

Members NOT concurring in the Majority report:

_____	recommends: <u>...</u>
_____	recommends:
_____	recommends:
_____	recommends:
_____	recommends:

_____ Chairman

Introduced: 1/25/73
Referred: Health, Welfare &
Education and Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 130

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 EIGHTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act establishing a working capital reserve fund
7 for the University of Alaska; and providing for an
8 effective date."

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

10 * Section 1. AS 14.40 is amended by adding a new section to read:

11 Sec. 14.40.295. WORKING CAPITAL RESERVE FUND. There is
12 established in the treasury of the University of Alaska the University
13 of Alaska working capital reserve fund. The fund consists of money
14 appropriated by the legislature for the purpose of providing current
15 working capital for the University of Alaska and is not available for
16 appropriation by the Board of Regents.

17 * Sec. 2. This Act takes effect on the day after its passage and
18 approval or on the day it becomes law without approval.

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Original sponsor: Rules Committee by
Request of the Governor

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 130

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 EIGHTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act establishing a working capital reserve fund for
7 the University of Alaska; and providing for an effective
8 date."

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

10 § Section 1. AS 14.40 is amended by adding a new section to read:

11 § Sec. 14.40.295. WORKING CAPITAL RESERVE FUND. (a) There is
12 established in the treasury of the University of Alaska the University
13 of Alaska working capital reserve fund. The fund consists of money
14 appropriated by the legislature for the purpose of providing current
15 working capital for the University of Alaska and is not available for
16 appropriation by the Board of Regents.

17 (b) A quarterly report of all activity of the working capital
18 reserve fund shall be submitted to the Legislative Budget and Audit
19 Committee.

20 § Sec. 2. This Act takes effect on the day after its passage and approval
21 or on the day it becomes law without approval.



JUNEAU ALASKA

Alaska State Legislature
House

FINANCE COMMITTEE BILL ASSIGNMENT

TO: Representative Ose

DATE: March 1, 1973

FROM: Earl D. Hillstrand
Chairman
House Finance Committee

BILL NO.: HOUSE BILL 130

TITLE: "An Act establishing a working capital reserve fund for the University of Alaska; and providing for an effective date."

COMMENTS: This bill has been referred to you for your review and research and eventual presentation to the committee for their consideration.

FINANCE COMMITTEE REPORT

ON

COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 130

The Committee Substitute has added a section requiring a quarterly report to the Legislative Budget & Audit Committee of all activity of the Working Capital Reserve Fund. This requirement has been inserted to insure proper management and accounting for these funds.



Earl D. Hillstrand
For the Committee

The Legislature of the State of Alaska
 FISCAL NOTE
 First Session - Eighth Legislature

I. REQUEST

Bill Identification: HB 130 & 131
 Title: UoA working capital Reserve
 Requested by: Legislative Finance Date: 3/2/73
 Return Date Requested: 3/12/73
 Agency: University of Alaska Program: Comptroller

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Education-Higher Education-Central Governar ce
 A. EXPENDITURES: (Thousands of dollars)

OBJECT.	FY 73	FY 74	FY 75	FY 76	FY 77	FY 78
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
Returnable Reserve		1,200.0				
TOTAL		1,200.0				

B. FUNDING: (Thousands of dollars)

GENERAL FUND		1,200.0				
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	/	/	/	/	/	/
MAN MONTHS (P./T.)	/	/	/	/	/	/

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

The cash balance schedule for the 3-months ending Fiscal Year 1972 indicate cash shortages of as much as \$3,474,091. Recognizing that part of this sum consisted of the deficit of some \$2,000,000 carried from the prior Fiscal Year (71), it is apparent that a normal lag in collection of receivables existed at the end of the year, constituting a working cash shortage which would be largely covered by the above \$1,200,000.

IV. ATTACHMENTS

1. Cash Balance Schedule

V. DATE: 8 March 1973

PREPARED BY: Harold A. Byrd

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

UNIVERSITY OF ALASKA

UNIVERSITY OF ALASKA

Actual Cash Balances 1972

	April	May	June
Cash Balance per books	<u>\$(1,256,529.24)</u>	<u>\$(1,174,219.77)</u>	<u>\$(2,126,307.57)</u>
Receipts:			
State Appropriation	1,283,000.00	1,284,000.00	-0-
Grants & Contracts	1,863,805.06	997,047.47	593,998.43
Other	<u>465,121.41</u>	<u>477,487.12</u>	<u>1,555,701.04 *</u>
Total Receipts	<u>3,611,926.47</u>	<u>2,758,534.59</u>	<u>2,149,699.47</u>
Cash Available	<u>2,355,397.23</u>	<u>1,584,314.82</u>	<u>23,391.90</u>
Disbursements:			
Gross Payroll	1,904,777.30	2,128,797.42	1,650,344.68
Other	<u>1,624,839.70</u>	<u>1,581,824.97</u>	<u>1,847,138.14</u>
Total Expenditures	<u>3,529,617.00</u>	<u>3,710,622.39</u>	<u>3,497,482.82</u>
Ending Balance	(1,174,219.77)	(2,126,307.57)	(3,474,090.92)

* Includes \$975,000 of the 1.9 million received to purchase the AMU land.



RECORDS



CERTIFICATION

I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James O. Smith
Signature of Camera Operator

4/26/89
Date

COMMITTEE REPORT

3/23/73

SENATE

Mr. President:

Date 4/3/73

The Committee on FINANCE has had CSHB 130
working capital reserve fund for the University of Alaska
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
- (X) "other" *individual recommendations*

Members signing the Majority report:

<u><i>Bill King</i></u>	<u><i>Do Pass</i></u>	_____
<u><i>Bill King</i></u>	<u><i>Do NOT Pass</i></u>	_____
<u><i>Bill King</i></u>	<u><i>Do Pass</i></u>	_____
<u><i>Bill King</i></u>	<u><i>Do Pass</i></u>	_____

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ Chairman

CSHB 130

January 24, 1973

The Honorable Tom Fink
Speaker of the House
Alaska State Legislature
Juneau, Alaska 99801

Dear Mr. Speaker:

Pursuant to the Uniform Rules of the Legislature I am transmitting a bill which establishes a working capital reserve fund for the University of Alaska.

The purpose of this working capital fund is to cover a chronic imbalance of accounts receivable over accounts payable. This imbalance is largely due to the high level of research activity at the University. The regular operation of departments of state government do not face this problem because the state general fund effectively serves as a working capital fund.

Sincerely,

William A. Egan
Governor

Original sponsor: Rules Committee by
Request of the Governor

Offered: 3/20/73
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2

CS FOR HOUSE BILL NO. 130

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

EIGHTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act establishing a working capital reserve fund for
7 the University of Alaska; and providing for an effective
8 date."

9

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

10

* Section 1. AS 14.40 is amended by adding a new section to read:

11

Sec. 14.40.295. WORKING CAPITAL RESERVE FUND. (a) There is

12

established in the treasury of the University of Alaska the University

13

of Alaska working capital reserve fund. The fund consists of money

14

appropriated by the legislature for the purpose of providing current

15

working capital for the University of Alaska and is not available for

16

appropriation by the Board of Regents.

17

(b) A quarterly report of all activity of the working capital

18

reserve fund shall be submitted to the Legislative Budget and Audit

19

Committee.

20

* Sec. 2. This Act takes effect on the day after its passage and approval

21

or on the day it becomes law without approval.

22

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Introduced: 1/25/73
Referred: Health, Welfare &
Education and Finance

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

1 IN THE HOUSE

2 HOUSE BILL NO. 130

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 EIGHTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act establishing a working capital reserve fund
7 for the University of Alaska; and providing for an
8 effective date."

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

10 * Section 1. AS 14.40 is amended by adding a new section to read:

11 Sec. 14.40.295. WORKING CAPITAL RESERVE FUND. There is
12 established in the treasury of the University of Alaska the University
13 of Alaska working capital reserve fund. The fund consists of money
14 appropriated by the legislature for the purpose of providing current
15 working capital for the University of Alaska and is not available for
16 appropriation by the Board of Regents.

17 * Sec. 2. This Act takes effect on the day after its passage and
18 approval or on the day it becomes law without approval.

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The Legislature of the State of Alaska
 FISCAL NOTE
 First Session - Eighth Legislature

I. REQUEST

Bill Identification: HB 130 & 131
 Title: UoA working capital reserve
 Requested by: Legislative Finance Date: 3/2/73
 Return Date Requested: 3/12/73
 Agency: University of Alaska Program: Comptroller

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Education-Higher Education-Central Governance
 A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 73	FY 74	FY 75	FY 76	FY 77	FY 78
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
Returnable Reserve		1,200.0				
TOTAL		1,200.0				

B. FUNDING: (Thousands of dollars)

GENERAL FUND		1,200.0				
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	/	/	/	/	/	/
MAN MONTHS (P./T.)	/	/	/	/	/	/

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

The cash balance schedule for the 3-months ending Fiscal Year 1972 indicate cash shortages of as much as \$3,474,091. Recognizing that part of this sum consisted of the deficit of some \$2,000,000 carried from the prior Fiscal Year (71), it is apparent that a normal lag in collection of receivables existed at the end of the year, constituting a working cash shortage which would be largely covered by the above \$1,200,000.

IV. ATTACHMENTS

- Cash Balance Schedule

V. DATE: 8 March 1973

PREPARED BY: Harold A. Byrd

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

UNIVERSITY OF ALASKA

UNIVERSITY OF ALASKA
Actual Cash Balances 1972

	April	May	June
Cash Balance per books	<u>\$(1,256,529.24)</u>	<u>\$(1,174,219.77)</u>	<u>\$(2,126,307.57)</u>
Receipts:			
State Appropriation	1,283,000.00	1,284,000.00	-0-
Grants & Contracts	1,863,805.06	997,047.47	593,998.43
Other	<u>465,121.41</u>	<u>477,487.12</u>	<u>1,555,701.04 *</u>
Total Receipts	<u>3,611,926.47</u>	<u>2,758,534.59</u>	<u>2,149,699.47</u>
Cash Available	<u>2,355,397.23</u>	<u>1,584,314.82</u>	<u>23,391.90</u>
Disbursements:			
Gross Payroll	1,904,777.30	2,128,797.42	1,650,344.68
Other	<u>1,624,839.70</u>	<u>1,581,824.97</u>	<u>1,847,138.14</u>
Total Expenditures	<u>3,529,617.00</u>	<u>3,710,622.39</u>	<u>3,497,482.82</u>
Ending Balance	(1,174,219.77)	(2,126,307.57)	(3,474,090.92)

* Includes \$975,000 of the 1.9 million received to purchase the AMU land.



RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James O. Smith
Signature of Camera Operator

4/26/89
Date

Article 3. Property and Funds.

Section

295. Working capital reserve fund

Sec. 14.46.295. Working capital reserve fund. (a) There is established in the treasury of the University of Alaska the University of Alaska working capital reserve fund. The fund consists of money appropriated by the legislature for the purpose of providing current working capital for the University of Alaska and is not available for appropriation by the Board of Regents.

(b) A quarterly report of all activity of the working capital reserve fund shall be submitted to the Legislative Budget and Audit Committee. (§ 1 ch 50 SLA 1973)

Legislative committee report.--For report on ch. 50, SLA 1973 (CSHB 130), see 1973 House Journal, p. 741.

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March 29, 1973

HOUSE JOURNAL

741

The Finance Committee has had HOUSE BILL NO. 130 (establish- ing a working capital reserve fund for the University of Alaska; and providing for an effective date) under consid- eration and a majority of the members of the Committee recommends it be replaced with COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 130 (same title) and that COMMITTEE SUBSTIT- UTE FOR HOUSE BILL NO. 130 do pass. The report was signed by Mr. Hillstrand, Chairman, and concurred in by Hillstrand, Laska, Gee, Spetkin, Saylor, Trovora, Haugen and Macvick. No. concurring was Ferguson, who recommends do not pass.

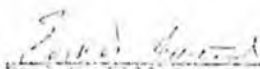
HOUSE BILL NO. 130 was referred to the Rules Committee for placement on the calendar.

"FINANCE COMMITTEE REPORT

ON

COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 130

The Committee Substitute has added a section requiring a quarterly report to the Legislative Budget & Audit Committee of all activity of the Working Capital Reserve Fund. This requirement has been inserted to insure proper management and accounting for these funds.


Earl B. Hillstrand
For the Committee"

X



LAWS OF ALASKA

1973

Source

HB 131

Chapter No.

51

AN ACT

Appropriating to the University of Alaska working capital reserve fund; and providing for an effective date.

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

* Section 1. The sum of \$1,200,000 is appropriated from the general fund to the University of Alaska working capital reserve fund established in AS 14.40.295.

* Sec. 2. This Act takes effect on the day after its passage and approval or on the day it becomes law without approval.

Approved by governor: April 16, 1973
Actual effective date: April 17, 1973

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The Legislature of the State of Alaska
 FISCAL NOTE
 First Session - Eighth Legislature

I. REQUEST

Bill Identification: HB 130 + 131
 Title: U of A working capital reserve
 Requested by: Legislative Finance Date: 3/2/73
 Return Date Requested: 3/12/73
 Agency: University of Alaska Program: Comptroller

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Education-Higher Education-Central Governance
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TOTAL		1,200.0				

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GENERAL FUND		1,200.0				
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	/	/	/	/	/	/
MAN MONTHS (P./T.)	/	/	/	/	/	/

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

The cash balance schedule for the 3-months ending Fiscal Year 1972 indicate cash shortages of as much as \$3,474,091. Recognizing that part of this sum consisted of the deficit of some \$2,000,000 carried from the prior Fiscal Year (71), it is apparent that a normal lag in collection of receivables existed at the end of the year, constituting a working cash shortage which would be largely covered by the above \$1,200,000.

IV. ATTACHMENTS

1. Cash Balance Schedule

V. DATE: 8 March 1973

PREPARED BY: Harold A. Byrd

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

UNIVERSITY OF ALASKA

UNIVERSITY OF ALASKA
Actual Cash Balances 1972

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Ending Balance	(1,174,219.77)	(2,126,307.57)	(3,474,090.92)

* Includes \$975,000 of the 1.9 million received to purchase the AMU land.

Introduced: 1/25/73
Referred: Health, Welfare &
Education and Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUES'T OF THE GOVERNOR

2

HOUSE BILL NO. 131

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IN THE LEGISLATURE OF THE STATE OF ALASKA

4

EIGHTH LEGISLATURE - FIRST SESSION

5

A BILL

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For an Act entitled: "An Act appropriating to the University of Alaska
7 working capital reserve fund and providing for an
8 effective date."

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

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* Section 1. The sum of \$1,200,000 is appropriated from the general fund
11 to the University of Alaska working capital reserve fund established in
12 AS 14.40.295.

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* Sec. 2. This Act takes effect on the day after its passage and
14 approval or on the day it becomes law without approval.

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"An Act appropriating to the University of Alaska working capital reserve fund and providing for an effective date."

COMMITTEE REPORT

2-28-73

HOUSE

Mr. Speaker:

Date 3-20-73

The Committee on FINANCE has had HB131

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: <u>Do not pass</u>
_____	recommends:
_____	recommends:
_____	recommends:
_____	recommends:

_____ Chairman



JUNEAU ALASKA

Alaska State Legislature
House

FINANCE COMMITTEE BILL ASSIGNMENT

TO: Representative Ose

DATE: March 1, 1973

FROM: Earl D. Hillstrand
Chairman
House Finance Committee

BILL NO.: HOUSE BILL 131

TITLE: "An Act appropriating to the University of Alaska working capital reserve fund; and providing for an effective date."

COMMENTS: This bill has been referred to you for your review and research and eventual presentation to the committee for their consideration.