

LEG. FINANCE - BILLS 1977 - 1978 912

CSSB 128 cont., thru SB 128 912

SB128

THE LEGISLATURE OF THE STATE OF ALASKA  
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. \_\_\_\_\_  
Title An act relating to commercial fishing licensing.  
Requested by Office of the Governor Date January 27, 1977

II. FISCAL DETAIL

Agency Affected Office of the Governor, Depts. of Revenue and Fish and Game  
Program Category Affected NRMEC  
Budget Request Unit(s) Affected Alaska Commercial Fisheries Entry Commission

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES		6.1	(.8)	(1.6)		
200 TRAVEL		1.6	.8	.8		
300 CONTRACTUAL		(21.7)	(27.5)	(28.3)		
400 COMMODITIES		(2.8)	(2.9)	(3.1)		
500 EQUIPMENT		2.5	-0-	-0-		
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>		<b>(14.3)</b>	<b>(30.4)</b>	<b>(32.2)</b>		

FUNDING (Thousands of Dollars)

GENERAL FUND		(14.3)	(30.4)	(32.2)		
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY		1/6 mos.	0	0		

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

This new program will save the State \$76.9 over the next three fiscal years. These savings will result from 1) the reduction in duplication of effort by State agencies, and 2) the elimination of gear and vessel licensing functions of commercial vendors.

(see attachment for schedule of savings)

IV. DATE January 27, 1977 PREPARED BY Joyanne Bloom  
AGENCY Office of the Governor  
PHONE \_\_\_\_\_  
Original: Legislative Finance  
cc: Budget and Management  
Prime Sponsor (First Legislator Named)

SCHEDULE OF SAVINGS

	<u>FY 78</u>	<u>FY 79</u>	<u>FY 80</u>
1. Increased Administrative Costs of Fisheries Entry Commission	40.7	26.4	26.6
2. Reduction in Administrative Costs of Dept. of Fish and Game	(10.7)	(11.3)	(12.0)
3. Reduction in Administrative Costs of Dept. of Revenue (includes savings on commissions paid to commercial vendors)	<u>(44.3)</u>	<u>(45.5)</u>	<u>(46.8)</u>
TOTAL Gross Savings	(55.0)	(56.8)	(58.8)
TOTAL Net Savings	(14.3)	(30.4)	(32.2)

# STATE OF ALASKA

## COMMERCIAL FISHERIES ENTRY COMMISSION

JAY S. HAMMOND, GOVERNOR

POUCH KB - JUNEAU 99801

SB 128

February 23, 1977

The Honorable Steve Cowper  
Chairman, House Finance Committee  
Capitol Building  
Juneau, Alaska 99801

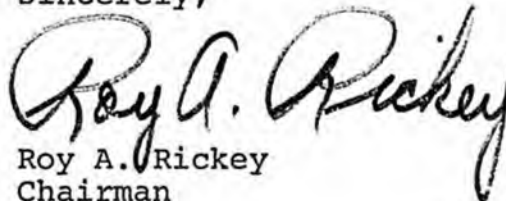
Dear Representative Cowper:

Enclosed please find a report explaining the rationale behind Senate Bill No. 128. This should assist you and your committee when reviewing the bill. If questions should arise which are not answered in the report, please do not hesitate to contact the Commission.

The Commission, along with the Departments of Fish and Game, Revenue, and Public Safety, have worked for months formulating a fair, simple and practical system of commercial fishing licensing. The new system we are proposing will result in eliminating State agency duplication of time and effort, create a much needed data base, and most important will eliminate much of the bureaucratic paperwork for the fishermen.

We have received wholehearted support from fishermen and fishermen's groups we have discussed this new program with. I urge your approval of the new licensing program proposed in SB 128.

Sincerely,

  
Roy A. Rickey  
Chairman

RAR:dl

Enclosure

A REPORT ON  
SENATE BILL NO. 128

by The Commercial Fisheries Entry Commission

with the concurrence of:  
The Department of Fish and Game  
The Department of Revenue  
The Department of Public Safety

February 22, 1977

## SENATE BILL NO. 128

"An Act relating to commercial fishing licensing and providing for an effective date."

### Introduction

The Governor's bill entitled "An Act relating to commercial fishing licensing and providing for an effective date" presents the legislature with a new program of commercial fisheries licensing. The departments of Fish and Game and Revenue and the Commercial Fisheries Entry Commission designed this program to ease the paperwork for the fisherman, to save time and money for the State and to increase the accuracy and availability of the licensing data base.

### Program Description

The new licensing program eliminates the gear and commercial licenses, separates the vessel license from an assigned operator and creates a crewmember license similar to the commercial license. A renewed entry permit will be the only requirement for a gear operator in order to participate in a fishery. A vessel used in commercial fishing must be licensed and no indication of who will operate the boat will be needed. People who participate in the fishery as crewmembers will have to obtain a crewmember license.

A resident, non-resident fee system for permits will be initiated in the proposed licensing program. This will compensate for revenue previously received for gear and commercial licenses based on residency. The 3 to 1 non-resident fee ratio used for gear licenses will be adopted for the permit fee schedule.

In the present system, vessel licenses are issued to operators. This has caused considerable inconvenience to the fishermen since Revenue and/or Fish and Game forms must be completed each time a fisherman changes vessels or takes on additional operators. The Department of Fish and Game also finds this paperwork time consuming and unnecessary. Without the operator connected to the vessel, there will no longer be a residency distinction and the proposed license program will charge one fee for the vessel license.

The Commercial Fisheries Entry Commission will continue to issue entry permits and will incorporate vessel licensing in its renewal system making licensing for gear operators one simple function. Each year forms will be sent to every permit holder with his renewal information pre-printed by computer. The recipient simply makes any necessary corrections, signs the form and returns it to the Commission with the appropriate fees. The permit holder and the vessel will then be licensed for the coming year. This new procedure for licensing requires far less time and effort for the fisherman than the present licensing system in which he has to obtain three Fish and Game licenses from the Department of Revenue and an entry permit from the Commercial Fisheries Entry Commission.

The Department of Revenue licensing division will issue licenses to crewmembers using its license vendor outlets. The holder of a renewed entry permit may participate in any fishery as a crewmember without purchasing a crewmember license.

The Alaska Fishermen's Fund will be maintained at its current level. This Fund provides for the treatment and care of Alaska commercial fishermen who are injured or become ill in commercial fishing activities. The Commercial Fisheries Entry Commission will assume responsibility for the transfer of money to cover each permit holder. The Department of Revenue will also transfer money to the fund for each crewmember license sold.

#### Revenue Analysis

The gear and commercial fishing licenses are being discontinued and will no longer contribute to the State's commercial license revenue. The anonymous vessel license and the new crewmember license will only partly make up for this loss. The rest must come from increased permit fees.

As seen in Table I, State revenues derived from the four types of license and permits now available approximated \$1.5 million for each of the last four years. The new system is expected to produce \$2.6 from the new vessel and crewmember

licenses and entry permits. The increase in revenue will come mainly from the three to one non-resident to resident permit fee differentiation.

Vessel license revenue will be based on a new fee. An anonymous \$20 fee will replace the previous \$10 fee for a resident vessel operator and \$30 fee for the non-resident. When the \$20 fee is applied to the number of vessel licenses sold in the past, vessel revenue totals \$254,380, approximately \$100,000 more than previous years. (Table II)

To project crewmember license revenue, the number of commercial license sold to persons who did not also have a gear license is used to estimate the number of people who were crewmembers. The percentages of resident and non-resident commercial licenses sold in the past are applied to the estimated number of crewmembers so total anticipated revenue can be derived. As seen in Table III projected 1978 crewmember revenue is \$113,550.

These two amounts of new fee revenues, \$254,380 for vessel licenses and \$113,550 for crewmember licenses make up only a quarter of total revenues collected in the past. Under the new program the additional revenue must come exclusively from permit fees.

The Limited Entry Law requires permit fees to "reasonably reflect the different rates of economic return for different fisheries". It also calls for the fees to be set by regulation, although a ceiling is mandated. SB 128 raises the ceiling from \$100 to \$500. The new permit fees will remain in about the same proportions as they presently exist. Some adjustments will be made to more closely reflect the rates of economic return for the various fisheries.

When deriving total permit revenues, adjustments must be made to account for poverty permit fees. If a fisherman falls within Federal poverty guidelines he may purchase a permit for a reduced fee. This fee will be increased from \$5 to \$15 to reflect the cost of issuing the permit. The \$15 fee will be less than the total cost of his licenses and permit under the present system.

A doubling of present permit fees closely reflects what the resident fisherman now pays in annual licenses and permits. However, with the 3 to 1 non-resident to resident ratio, the doubled fees will bring the State an extra million dollars in revenue. This extra revenue would bring the total money collected from commercial fishing licensing to \$2.6 million. Table IV compares portions of the new fee schedule with the old schedule.

The cost of managing, rehabilitating and enforcing the fisheries have increased at a rapid rate over the last few years and now totals \$17.6 million. Over the past 5 years the State has operated at an average inflation rate of 7% yet the price of commercial gear and vessel licenses have not increased since 1959. A bill which was passed in last year's Legislature doubled the cost of sports fishing licenses for residents from \$5 to \$10. SB 128 would allow a greater recognition of the State's costs in relation to commercial fisheries while at the same streamlining and improving its licensing program.

Table I  
1974-1976 Licensing Revenue

	<u>1974</u>	<u>1975</u>	<u>1976</u>	<u>Projected 1978</u>
Gear	\$ 425,287	\$ 397,777	\$ 413,805	- - -
Vessel	\$ 152,486	\$ 158,704	\$ 160,737	\$ 254,380
Commercial	\$ 325,020	\$ 334,510	\$ 385,280	\$ 113,550
Permits	<u>\$ 604,924</u>	<u>\$ 646,191</u>	<u>\$ 625,894</u>	<u>\$2,202,395</u>
TOTAL	\$1,507,717	\$1,537,182	\$1,585,716	\$2,570,325

Total, figures include money transferred to the Fishermen's Fund, approximately \$200,000 per year. The 1976 revenues for gear, vessel and commercial licenses are preliminary figures. The 1978 Commercial License entry represents revenue to be collected from Crewmember Licenses.

Table II

Vessel License Revenue

1975 Resident Licenses	10,369 @ \$10 =	\$103,690
1975 Nonresident Licenses	<u>2,350 @ \$30 =</u>	<u>\$ 70,500</u>
	12,719	\$174,190

Projected 1978 Vessel License Revenue:

Total Licenses 12,719 @ \$20 = \$254,380

Table III

Crewmember License Revenue

1975 Commercial licenses less gear licenses: 7,373

73% resident or 5,382 licenses @ \$10/license = \$53,820

27% nonresident or 1,991 licenses @ \$30/license = \$59,730

Projected 1978 Crewmember License Revenue: \$113,550

Table IV

## A COMPARISON OF OLD AND NEW RESIDENT LICENSE AND PERMIT FEES

	<u>Old System</u>			<u>New System</u>	
	Gear License	Commercial License	Permit	Total	Permit
	\$	\$	\$	\$	\$
Purse Seine (Based on 250 fathoms)	70	10	60	140	120
Drift Gill net (Based on 200 fathoms)	20	10	50	80	100
Set Net (Based on 150 fathoms)	15	10	20	45	40
Hand Troll	15	10	20	45	40
Power Troll	15	10	50	75	100
Long Line (Vessel length 26' or less)	25	10	20	55	40
Long Line (Vessel length over 26')	25	10	60	95	120
Pots (Vessel length 50' or less- based on 150 pots)	30	10	50	90	100
Pots (Vessel length over 50'- based on 150 pots)	45	10	100	155	200

Non-Resident fees are three times resident fees

A COMPARISON OF OLD AND NEW NON-RESIDENT LICENSE AND PERMIT FEES

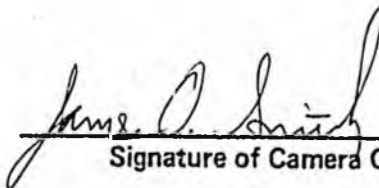
	<u>Old System</u>			Total	<u>New System</u>
	Gear License	Commercial License	Permit		Permit
Purse Seine (Based on 250 fathoms)	210	30	60	300	360
Drift Gill net (Based on 200 fathoms)	60	30	50	140	300
Set Net (Based on 150 fathoms)	45	30	20	95	120
Hand Troll	45	30	20	95	120
Power Troll	45	30	50	125	300
Long Line (Vessel length 26' or less)	50	30	20	100	120
Long Line (Vessel length over 26')	50	30	60	140	360
Pots (Vessel length 50' or less- based on 150 pots)	90	30	50	170	300
Pots (Vessel length over 50'- based on 150 pots)	135	30	100	265	600

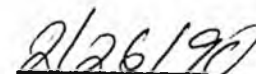


# RECORDS CERTIFICATION



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\_\_\_\_\_  
Signature of Camera Operator

  
\_\_\_\_\_  
Date

Introduced: 2/4/77  
Referred: Resources and Finance

1 IN THE SENATE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

2 SENATE BILL NO. 128

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to commercial fishing licensing; and  
7 providing for an effective date."

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

9 \* Section 1. AS 16.05.065 is amended to read:

10 Sec. 16.05.065. APPLICATION EXTENSION. (a) The commissioner  
11 shall extend the time and dates during which application may be made  
12 for fish or game [LICENSING OR] registration if he finds that

13 (1) the conservation and management of the fish or game  
14 resource will not be affected adversely; and

15 (2) the failure to timely apply is the result of excusable  
16 neglect.

17 (b) The fee for an extension granted under this section is \$45.

18 [UPON THE GRANTING OF AN EXTENSION TO AN APPLICANT AND UPON THE APPLI-  
19 CANT'S COMPLIANCE WITH THIS CHAPTER, THE COMMISSIONER OF REVENUE OR  
20 HIS AUTHORIZED DEPUTY SHALL ISSUE THE APPROPRIATE LICENSES AND TAGS.]

21 (c) As used in this section, "excusable neglect" does not in-  
22 clude unfamiliarity with or ignorance of applicable laws and regula-  
23 tions. In order to show excusable neglect, a person must have demon-  
24 strated, before the registration deadline, an intent to harvest fish  
25 or game. [THE FEE FOR AN EXTENSION GRANTED UNDER THIS SECTION IS \$45.]

26 \* Sec. 2. AS 16.05.450(a) is amended to read:

27 ARTICLE 4. LICENSING OF COMMERCIAL FISHING CREW-  
28 MEMBERS [FISHERMEN], AND VESSELS [AND GEAR].

29 (a) The commissioner of revenue or his authorized agent [DEPUTY]

1 shall issue a crewmember fishing license under sec. 480 of this chapter  
2 to each qualified person who files a written application at a place  
3 [PLACES] in the state designated by the commissioner, containing the  
4 reasonable information required by the commissioner together with the  
5 required fee. The application shall be simple in form and shall be  
6 executed by the applicant under the penalty of perjury.

7 \* Sec. 3. AS 16.05.450(b) is repealed and re-enacted to read:

8 (b) The Commercial Fisheries Entry Commission shall issue a  
9 vessel license under sec. 490 of this chapter to each qualified vessel  
10 for which a written application has been filed at a place in the state  
11 designated by the commission, containing the reasonable information  
12 required by the commission together with the required fee. The applica-  
13 tion shall be simple in form and shall be executed by the applicant  
14 under the penalty of perjury.

15 \* Sec. 4. AS 16.05.460 is amended to read:

16 Sec. 16.05.460. COMMISSIONER OF REVENUE MAY APPOINT AGENTS  
17 [DEPUTIES]. The commissioner of revenue may appoint qualified persons  
18 as his agents [DEPUTIES] to receive applications, issue licenses, and  
19 collect license fees under secs. 440 - 480 [720] of this chapter.

20 \* Sec. 5. AS 16.05.470 is amended to read:

21 Sec. 16.05.470. FEE FOR ISSUANCE OF LICENSES. A person appointed  
22 and authorized by the commissioner of revenue to sell licenses under  
23 secs. 440 - 480 [720] of this chapter, except salaried employees of  
24 the state, shall retain the sum of 10 [FIVE] per cent of the fee for  
25 the issuance of a license. An agent [A DEPUTY] shall transmit monthly  
26 to the commissioner all fees collected by him, less the authorized  
27 commission, together with a full accounting of the fees. The commis-  
28 sioner shall make monthly remittances of the fees collected to the  
29 proper state official. The commissioner is not liable for defalcation

1 or failure to account for the fees collected by an agent [A DEPUTY],  
2 but he shall require a bond in the sum he considers adequate, condi-  
3 tioned upon the faithful accounting of money collected.

4 \* Sec. 6. AS 16.05.480 is amended to read:

5 Sec. 16.05.480. CREWMEMBER [COMMERCIAL] FISHING LICENSE. (a) A  
6 commercial fisherman who does not hold a permit issued under AS 16.43 [A  
7 PERSON ENGAGED IN COMMERCIAL FISHING] shall obtain a crewmember [COM-  
8 MERCIAL] fishing license. The fee for the license is \$10 for residents,  
9 and \$30 for nonresidents. All crewmember [COMMERCIAL] fishing licenses  
10 are nontransferable and shall be retained in the possession of the  
11 licensee, readily accessible for inspection at all times.

12 (b) A person applying for a resident crewmember [COMMERCIAL]  
13 license under this section shall provide the proof of [HIS] residence  
14 which the department requires by regulation.

15 (c) The commissioner of revenue or his authorized agent may  
16 issue a duplicate crewmember fishing license as a replacement for a  
17 license issued under (a) of this section. A fee of \$2 shall be  
18 charged for each duplicate license and the duplicate may not be  
19 issued unless the commissioner or his agent is satisfied that the  
20 original has been lost or destroyed.

21 \* Sec. 7. AS 16.05.520 is amended to read:

22 Sec. 16.05.520. NUMBER PLATE. (a) The vessel license includes  
23 a permanent number plate. The number plate shall be accompanied by a  
24 tab affixed to it designating the year to be fished. A number plate  
25 is not transferable, and it shall be considered a permanent fixture  
26 upon the vessel upon which it is originally placed. It shall be  
27 securely fastened well forward on the port side in plain sight. On a  
28 vessel with a superstructure the plate shall be fastened on the port  
29 side of the superstructure. A number plate remains the property of the

1 state. If a permanent number plate is accidentally defaced, mutilated,  
2 destroyed, or lost, the person owning or operating the vessel shall  
3 immediately apply for and may obtain a duplicate upon furnishing the  
4 Commercial Fisheries Entry Commission [DEPARTMENT OF REVENUE] with the  
5 pertinent facts and a payment of \$2.

6 (b) If a vessel carrying a number plate is lost, destroyed, or  
7 sold, the owner shall immediately report the loss, destruction, or  
8 sale to the Commercial Fisheries Entry Commission [DEPARTMENT OF  
9 REVENUE].

10 \* Sec. 8. AS 16.05.530 is amended to read:

11 Sec. 16.05.530. ANNUAL RENEWAL OF VESSEL LICENSE. Upon annual  
12 payment of a license fee of \$20 [\$10 FOR A RESIDENT AND \$30 FOR A  
13 NONRESIDENT], and filing of the name and address of the owner or his  
14 authorized agent [AND OPERATOR] of the vessel, the name and number of  
15 the vessel, a description of the vessel [AND FISHING GEAR], vessel  
16 license number, if any, the area to be fished, and other reasonable  
17 information required by the Commercial Fisheries Entry Commission  
18 [DEPARTMENT OF REVENUE], the commission [DEPARTMENT OF REVENUE] shall  
19 issue a number plate and a vessel license. If the vessel has a number  
20 plate, the commission [DEPARTMENT OF REVENUE] shall issue a vessel  
21 license and tab designating the year. The tab shall be placed in the  
22 space provided on the permanent number plate.

23 \* Sec. 9. AS 16.05.680 is amended to read:

24 Sec. 16.05.680. UNLAWFUL PURCHASES. It is unlawful for a person,  
25 his agent, or his representative

26 (1) to have in his employ, in the harvesting, transporting  
27 or purchasing of fish, a fisherman who neither is [NOT] licensed under  
28 sec. 480 of this chapter nor is the holder of a permit issued under AS  
29 16.43,

1 (2) to purchase fish from a fisherman who neither is the  
2 holder of a permit, issued under AS 16.43, nor is exempt under sec.  
3 660 of this chapter [NOT SO LICENSED, IF THE FISHERMAN IS NOT EXEMPT  
4 UNDER SEC. 660 OF THIS CHAPTER FROM THE LICENSE REQUIREMENT OF SEC.  
5 480 OF THIS CHAPTER WITHOUT REGARD TO THE EMPLOYMENT OR PURCHASE], or

6 (3) to purchase fish from an association other than one to  
7 which a permit has been issued [WHICH IS NOT EXEMPT] under sec. 662 of  
8 this chapter.

9 \* Sec. 10. AS 16.05.940(2) is amended to read:

10 (2) "commercial fisherman" means an individual who fishes  
11 commercially for, takes, or attempts to take fish, shellfish, or other  
12 fishery resources of the state by any means, and includes every indi-  
13 vidual aboard a boat operated for fishing purposes who participates  
14 directly or indirectly in the taking of these raw fishery products,  
15 whether participation is on shares or as an employee or otherwise;  
16 however, this definition does not apply to anyone aboard a licensed  
17 vessel as a visitor or guest who does not directly or indirectly  
18 participate in the taking, [OR TO THE SPOUSE OF A COMMERCIAL FISHERMAN  
19 WHO DOES NOT RECEIVE INCOME SEPARATE AND DISTINCT FROM THAT OF THE  
20 COMMERCIAL FISHERMAN SPOUSE AS A RESULT OF THE SPOUSE'S PARTICIPATION];  
21 and the term "commercial fisherman" includes the crews of tenders or  
22 other floating craft used in transporting fish;

23 \* Sec. 11. AS 16.10.310(a)(1)(A) is amended to read:

24 (A) individual commercial fishermen who have been  
25 state residents for a continuous period of five years and have  
26 had a crewmember or commercial fishing license under AS 16.05.480  
27 or a permit under AS 16.43 for three years, for the repair,  
28 restoration or upgrading of existing vessels and gear, [AND] for  
29 the purchase of entry permits and gear, and for the construction

1 and purchase of vessels; and

2 \* Sec. 12. AS 16.43.100(a) is amended by adding a new paragraph to  
3 read:

4 (14) administer the issuance of commercial fishing vessel  
5 licenses under AS 16.05.490.

6 \* Sec. 13. AS 16.43.160 is amended to read:

7 Sec. 16.43.160. FEES. (a) The commission shall establish  
8 annual fees for the issuance and annual renewal of entry permits or  
9 interim-use permits [TO REFLECT THE COST OF ADMINISTERING THIS CHAPTER].  
10 Fees collected under this section shall be paid into the general fund,  
11 except for an amount equal to 60 per cent of the fee each permit  
12 holder would otherwise be obligated to pay for a crewmember license  
13 under sec. 480 of this chapter which shall be paid into the Fishermen's  
14 Fund under AS 23.35.060.

15 (b) Annual fees established under this section shall be not less  
16 than \$10 and no more than \$500 [\$100] and shall reasonably reflect the  
17 different rates of economic return for different fisheries.

18 (c) The resident holder of an entry permit or interim-use permit  
19 who has a net family income falling within the Federal Community  
20 Services [SOCIAL SECURITY] Administration poverty guidelines, adjusted  
21 by the commission to reflect appropriate cost-of-living differentials,  
22 is subject to a maximum annual fee of \$15 [\$5].

23 \* Sec. 14. AS 23.35.060 is amended to read:

24 Sec. 23.35.060. CREATION AND ADMINISTRATION OF FISHERMEN'S FUND.  
25 There is created a fund, designated as the "Fishermen's Fund." The  
26 Department of Revenue is the custodian of the fund and the Department  
27 of Labor shall administer it. The fund shall be composed of 60 per  
28 cent of the money derived by the state from each crewmember fishing  
29 license issued under AS 16.05.480, an amount <sup>similar</sup> ~~of money equal to that~~ <sup>derived by the state</sup>

1 ~~derived by the state~~ from each commercial fisherman who is issued a  
2 permit under AS 16.43 [ALL COMMERCIAL FISHERMEN'S LICENSES, INCLUDING  
3 CLAM DIGGERS' LICENSES], and money appropriated to carry out the  
4 purpose of secs. 10 - 150 of this chapter.

5 \* Sec. 15. AS 23.35.150(4) is amended to read:

6 (4) "fisherman" means a person who is licensed by the state  
7 to engage in commercial fishing under AS 16.05.480 or who is the  
8 holder of a permit issued under AS 16.43 and who, at the time injury  
9 is sustained or illness is contracted, is actually so engaged or is  
10 occupied in Alaska in preparing or dismantling boats or gear used in  
11 commercial fishing;

12 \* Sec. 16. AS 44.25.020(2) is amended to read:

13 (2) collect, account for, have custody of, invest, and  
14 manage all state funds and all revenues of the state except revenues  
15 incidental to a program of licensing and regulation carried on by  
16 another state department, except that the Department of Revenue shall  
17 issue fish and game licenses other than vessel licenses under AS  
18 16.05.490 - 16.05.530, collect fish and game license revenues, other  
19 than revenues from vessel licenses under AS 16.05.490 - 16.05.530, and do  
20 all other acts incidental to the performance of these functions;

21 \* Sec. 17. AS 16.05.450(c); 16.05.490(b), (c), (d), and (e); 16.05.500;  
22 16.05.540 - 16.05.650; and 16.05.670 are repealed.

23 \* Sec. 18. This Act takes effect January 1, 1978.  
24  
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29

paid to vendors will be  
Commission's <sup>^</sup> 8.0/10.0  
more because of  
the amendment



JUNEAU ALASKA

# Alaska State Legislature

March 18, 1977

## MEMORANDUM

To: The Honorable John Sackett  
Chairman  
Senate Finance Committee

From: John Farleigh  
Administrative Assistant  
Senate Resources Committee

Re: Amendment to CS SB 128

Pursuant to the 200 mile limit legislation enacted last year by Congress, the Alaska Department of Fish and Game is allowed to regulate fishing vessels "registered under the laws of the state." Section 6 was added by the Resources Committee to define "registered under the laws of the state" so that the Department of Fish and Game can begin regulating fishing vessels beyond the three-mile limit. However, due to an oversight, the committee substitute did not include an immediate effective date for this section. Therefore, I have drafted an amendment and attached it for your consideration which would allow the department to regulate fishing beyond the three-mile limit beginning this year.

A M E N D M E N T

OFFERED IN THE SENATE:

BY: Finance Committee

To: CS for SENATE BILL No. 128

HOUSE BILL No. \_\_\_\_\_

PAGE: 8

LINE: 21

Delete: "This Act takes effect January 1, 1978."

Insert: "Section 6 of this Act takes effect immediately  
in accordance with AS 01.10.070 (c)."

Add a new section to read:

"\*Sec. 20. Sections 1 - 5 and 7 - 18 take  
effect January 1, 1978."

CS ~~118~~ 5B 128

OK.  
3/17

\*Sec. 4. AS 16.05.460 is amended to read:

Sec. 16.05.460. COMMISSIONER OF REVENUE MAY APPOINT AGENTS [DEPUTIES].

The commissioner of revenue may appoint qualified persons as his agents [DEPUTIES] to receive applications, issue licenses, and collect license fees under secs. 440-480 [720] of this chapter, and to assist in the completion of annual application/renewal forms for interim-use and entry permits under secs. 16.43.150 and 16.43.210-220.

\*Sec. 5. AS 16.05.470 is amended to read:

Sec. 16.05.470. FEE FOR ISSUANCE OF LICENSES AND PERMIT RENEWAL ASSISTANCE.

(a) A person appointed and authorized by the commissioner of revenue to sell licenses under secs. 440 - 480 [720] of this chapter, except salaried employees of the state, shall retain the sum of 15 [FIVE] percent of the fee for the issuance of a license. An agent [A DEPUTY] shall transmit monthly to the commissioner all license fees collected by him, less the authorized commission, together with a full accounting of the fees. The commissioner shall make monthly remittances of the fees collected to the proper state official. The commissioner is not liable for defalcation or failure to account for the fees collected by an agent [A DEPUTY], but he shall require a bond in the sum he considers adequate, conditioned upon the faithful accounting of money collected.

(b) A person appointed ~~xxxxxxxxxxxx~~ by the commissioner <sup>of REVENUE</sup> under sec. ~~16.05.460~~ to issue licenses under secs. 440 - 480 [720] of this chapter, except salaried employees of the state, shall retain the sum of 15 [FIVE] per cent of the ~~fee for the issuance of the interim-use or entry permit,~~ <sup>fee</sup> for assisting in completion of the annual application/renewal form for said interim - use or entry permit. An agent [A DEPUTY] shall transmit <sup>monthly</sup> [monthly] to the Commercial Fisheries Entry Commission all application/renewal forms and fees collected by him, less the authorized commission, together with a full accounting of the fees. (THE COMMISSIONER SHALL MAKE MONTHLY REMITTANCES OF THE FEES COLLECTED

*New sub-section dealing with interim-use and entry permit fees*

TO THE PROPER STATE OFFICIAL.] The commissioner ~~and~~ and the Commercial Fisheries Entry Commission-are [IS] not liable for defalcation or failure to account for the fees collected by an agent [A DEPUTY], but the commissioner [HE] shall require a bond in the sum he considers adequate, conditioned upon the faithful accounting of money collected.

COMMITTEE REPORT  
SENATE

3/14/77

April 25 1977 Date

Mr. President:

The Committee on FINANCE has had SB 128  
commercial fishing licensing  
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 CS 128 and that  
CS for CS 128 do pass
- (and) recommends it be referred to the \_\_\_\_\_  
committee
- reports it back without recommendation
- AND attaches a report of its intent
- (other) \_\_\_\_\_

MEMBERS SIGNING THE MAJORITY REPORT:

\_\_\_\_\_

\_\_\_\_\_ *Do Pass*

\_\_\_\_\_ *Do Pass*

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

\_\_\_\_\_ recommends: \_\_\_\_\_

\_\_\_\_\_ recommends: \_\_\_\_\_

\_\_\_\_\_ recommends: \_\_\_\_\_

Chairman

Original sponsor: Rules Committee by request  
of the Governor

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 128 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to commercial fishing licensing; and  
7 providing for an effective date."

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

9 \* Section 1. AS 16.05.065 is amended to read:

10 Sec. 16.05.065. APPLICATION EXTENSION. (a) The commissioner  
11 shall extend the time and dates during which application may be made for  
12 fish or game [LICENSING OR] registration if he finds that

13 (1) the conservation and management of the fish or game  
14 resource will not be affected adversely; and

15 (2) the failure to timely apply is the result of excusable  
16 neglect.

17 (b) The fee for an extension granted under this section is \$45.  
18 [UPON THE GRANTING OF AN EXTENSION TO AN APPLICANT AND UPON THE APPLI-  
19 CANT'S COMPLIANCE WITH THIS CHAPTER, THE COMMISSIONER OF REVENUE OR HIS  
20 AUTHORIZED DEPUTY SHALL ISSUE THE APPROPRIATE LICENSES AND TAGS.]

21 (c) As used in this section, "excusable neglect" does not include  
22 unfamiliarity with or ignorance of applicable laws and regulations. In  
23 order to show excusable neglect, a person must have demonstrated, before  
24 the registration deadline, an intent to harvest fish or game. [THE FEE  
25 FOR AN EXTENSION GRANTED UNDER THIS SECTION IS \$45.]

26 \* Sec. 2. AS 16.05.450(a) is amended to read:

27 ARTICLE 4. LICENSING OF COMMERCIAL FISHING CREW-  
28 MEMBERS [FISHERMEN], AND VESSELS [AND GEAR].

29 (a) The commissioner of revenue or his authorized agent [DEPUTY]

1 shall issue a crewmember fishing license under sec. 480 of this chapter  
2 to each qualified person who files a written application at a place  
3 [PLACES] in the state designated by the commissioner, containing the  
4 reasonable information required by the commissioner together with the  
5 required fee. The application shall be simple in form and shall be  
6 executed by the applicant under the penalty of perjury.

7 \* Sec. 3. AS 16.05.450(b) is repealed and re-enacted to read:

8 (b) The Commercial Fisheries Entry Commission shall issue a  
9 vessel license under sec. 490 of this chapter to each qualified vessel  
10 for which a written application has been filed at a place in the state  
11 designated by the commission, containing the reasonable information  
12 required by the commission together with the required fee. The applica-  
13 tion shall be simple in form and shall be executed by the applicant  
14 under the penalty of perjury.

15 \* Sec. 4. AS 16.05.460 is amended to read:

16 Sec. 16.05.460. COMMISSIONER OF REVENUE MAY APPOINT AGENTS  
17 [DEPUTIES]. The commissioner of revenue may appoint qualified persons  
18 as his agents [DEPUTIES] to receive applications, issue licenses, and  
19 collect license fees under secs. 440 - 480 [720] of this chapter, and to  
20 assist in the completion of annual application or renewal forms for  
21 interim-use permits and entry permits issued under ch. 43 of this title.

22 \* Sec. 5. AS 16.05.470 is amended to read:

23 Sec. 16.05.470. FEE FOR ISSUANCE OF LICENSES AND INTERIM-USE OR  
24 ENTRY PERMITS. (a) A person appointed and authorized by the commis-  
25 sioner of revenue to sell licenses under secs. 440 - 480 [720] of this  
26 chapter, except salaried employees of the state, shall retain the sum of  
27 15 [FIVE] per cent of the fee for the issuance of a license. An agent  
28 [A DEPUTY] shall transmit monthly to the commissioner all license fees  
29 collected by him, less the authorized commission, together with a full

1 accounting of the fees. The commissioner shall make monthly remittances  
2 of the fees collected to the proper state official. The commissioner is  
3 not liable for defalcation or failure to account for the fees collected  
4 by an agent [A DEPUTY], but he shall require a bond in the sum he con-  
5 sidera adequate, conditioned upon the faithful accounting of money  
6 collected.

7 \* Sec. 6. AS 16.05.470 is amended by adding a new subsection to read:

8 (b) A person appointed by the commissioner of revenue under sec.  
9 460 of this chapter to issue licenses under secs. 440 - 480 of this  
10 chapter, except salaried employees of the state, shall retain the sum  
11 of 15 per cent of the interim-use or entry permit fee for assisting in  
12 completion of the annual application or renewal form for the interim-use  
13 or entry permit. An agent shall transmit promptly to the Commercial  
14 Fisheries Entry Commission all application or renewal forms and fees  
15 collected by him, less the authorized commission, together with a full  
16 accounting of the fees. The commissioner and the Commercial Fisheries  
17 Entry Commission are not liable for defalcation or failure to account  
18 for the fees collected by an agent, but the commissioner shall require a  
19 bond in the sum he considers adequate, conditioned upon the faithful  
20 accounting of money collected.

21 \* Sec. 7. AS 16.05 is amended by adding a new section to read:

22 Sec. 16.05.475. REGISTRATION OF FISHING VESSELS. (a) It is un-  
23 lawful for any person to employ a fishing vessel in the water of Alaska  
24 unless it is registered under the laws of the state. Vessels registered  
25 under the laws of another state, and persons residing in another state,  
26 are not excused from this provision.

27 (b) The term "employ", as used in this section, shall be defined  
28 by the Board of Fisheries through the adoption of regulations under the  
29 Administrative Procedure Act (AS 44.62). The definition may include any

1 activities involving the use or navigation of fishing vessels.

2 (c) The term "registered under the laws of the state", as used in  
3 this section, shall be defined by the Board of Fisheries through the  
4 adoption of regulations under the Administrative Procedure Act (AS 44.-  
5 62). The definition may include any existing requirements regarding  
6 registration, licenses, permits, and similar matters imposed by law or  
7 regulation together with modifications of them and with any additional  
8 requirements the board finds necessary to maximize the authority of the  
9 state to apply and enforce fisheries regulations under the Fishery Con-  
10 servation and Management Act of 1976 (P.L. 94-265, 90 Stat. 331, 16  
11 U.S.C. 1801 et seq.).

12 (d) The term "fishing vessel", as used in this section, means any  
13 vessel, boat, ship, or other craft which is used for, equipped to be  
14 used for, or of a type which is normally used for

15 (1) fishing, or

16 (2) aiding or assisting one or more vessels at sea in the  
17 performance of any activity relating to fishing, including, but not  
18 limited to, preparation, supply, storage, refrigeration, transportation,  
19 or processing.

20 \* Sec. 3. AS 16.05.480 is amended to read:

21 Sec. 16.05.480. CREWMEMBER [COMMERCIAL] FISHING LICENSE. (a)  
22 A commercial fisherman who does not hold a permit issued under ch. 43 of  
23 this title [PERSON ENGAGED IN COMMERCIAL FISHING] shall obtain a crew-  
24 member [COMMERCIAL] fishing license. The fee for the license is \$10 for  
25 residents, and \$30 for nonresidents. All crewmember [COMMERCIAL] fish-  
26 ing licenses are nontransferable and shall be retained in the possession  
27 of the licensee, readily accessible for inspection at all times.

28 (b) A person applying for a resident crewmember [COMMERCIAL]  
29 license under this section shall provide the proof of [HIS] residence

1 which the department requires by regulation.

2 (c) The commissioner of revenue or his authorized agent may issue  
3 a duplicate crewmember fishing license as a replacement for a license  
4 issued under (a) of this section. A fee of \$2 shall be charged for each  
5 duplicate license and the duplicate may not be issued unless the commis-  
6 sioner or his agent is satisfied that the original has been lost or  
7 destroyed.

8 \* Sec. 9. AS 16.05.520 is amended to read:

9 Sec. 16.05.520. NUMBER PLATE. (a) The vessel license includes a  
10 permanent number plate. The number plate shall be accompanied by a tab  
11 affixed to it designating the year to be fished. A number plate is not  
12 transferable, and it shall be considered a permanent fixture upon the  
13 vessel upon which it is originally placed. It shall be securely fas-  
14 tened well forward on the port side in plain sight. On a vessel with a  
15 superstructure the plate shall be fastened on the port side of the  
16 superstructure. A number plate remains the property of the state. If  
17 a permanent number plate is accidentally defaced, mutilated, destroyed,  
18 or lost, the person owning or operating the vessel shall immediately  
19 apply for and may obtain a duplicate upon furnishing the Commercial  
20 Fisheries Entry Commission [DEPARTMENT OF REVENUE] with the pertinent  
21 facts and a payment of \$2.

22 (b) If a vessel carrying a number plate is lost, destroyed, or  
23 sold, the owner shall immediately report the loss, destruction, or sale  
24 to the Commercial Fisheries Entry Commission [DEPARTMENT OF REVENUE].

25 \* Sec. 10. AS 16.05.530 is amended to read:

26 Sec. 16.05.530. ANNUAL RENEWAL OF VESSEL LICENSE. Upon annual  
27 payment of a license fee of \$20 [\$10 FOR A RESIDENT AND \$30 FOR A  
28 NONRESIDENT], and filing of the name and address of the owner or his  
29 authorized agent [AND OPERATOR] of the vessel, the name and number of

1 the vessel, a description of the vessel [AND FISHING GEAR], vessel  
2 license number, if any, the area to be fished, and other reasonable  
3 information required by the Commercial Fisheries Entry Commission  
4 [DEPARTMENT OF REVENUE], the commission [DEPARTMENT OF REVENUE] shall  
5 issue a number plate and a vessel license. If the vessel has a number  
6 plate, the commission [DEPARTMENT OF REVENUE] shall issue a vessel  
7 license and tab designating the year. The tab shall be placed in the  
8 space provided on the permanent number plate.

9 \* Sec. 11. AS 16.05.680 is amended to read:

10 Sec. 16.05.680. UNLAWFUL PURCHASES. It is unlawful for a person,  
11 his agent, or his representative

12 (1) to have in his employ, in the harvesting, transporting  
13 or purchasing of fish, a fisherman who neither is [NOT] licensed under  
14 sec. 480 of this chapter nor is the holder of a permit issued under ch.  
15 43 of this title,

16 (2) to purchase fish from a fisherman who neither is the  
17 holder of a permit, issued under ch. 43 of this title, nor is exempt  
18 under sec. 660 of this chapter [NOT SO LICENSED, IF THE FISHERMAN IS NOT  
19 EXEMPT UNDER SEC. 660 OF THIS CHAPTER FROM THE LICENSE REQUIREMENT OF  
20 SEC. 480 OF THIS CHAPTER WITHOUT REGARD TO THE EMPLOYMENT OR PURCHASE],  
21 or

22 (3) to purchase fish from an association other than one to  
23 which a permit has been issued [WHICH IS NOT EXEMPT] under sec. 662 of  
24 this chapter.

25 \* Sec. 12. AS 16.05.940(2) is amended to read:

26 (2) "commercial fisherman" means an individual who fishes  
27 commercially for, takes, or attempts to take fish, shellfish, or other  
28 fishery resources of the state by any means, and includes every indi-  
29 vidual aboard a boat operated for fishing purposes who participates

1 directly or indirectly in the taking of these raw fishery products,  
2 whether participation is on shares or as an employee or otherwise;  
3 however, this definition does not apply to anyone aboard a licensed  
4 vessel as a visitor or guest who does not directly or indirectly parti-  
5 cipate in the taking, [OR TO THE SPOUSE OF A COMMERCIAL FISHERMAN WHO  
6 DOES NOT RECEIVE INCOME SEPARATE AND DISTINCT FROM THAT OF THE COMMER-  
7 CIAL FISHERMAN SPOUSE AS A RESULT OF THE SPOUSE'S PARTICIPATION]; and  
8 the term "commercial fisherman" includes the crews of tenders or other  
9 floating craft used in transporting fish;

10 \* Sec. 13. AS 16.10.310(a)(1)(A) is amended to read:

11 (A) individual commercial fishermen who have been state  
12 residents for a continuous period of five years and have had a  
13 crewmember or commercial fishing license under AS 16.05.480 or a  
14 permit under ch. 43 of this title for three years, for the repair,  
15 restoration or upgrading of existing vessels and gear, [AND] for  
16 the purchase of entry permits and gear, and for the construction  
17 and purchase of vessels; and

18 \* Sec. 14. AS 16.43.100(a) is amended by adding a new paragraph to read:

19 (14) administer the issuance of commercial fishing vessel  
20 licenses under AS 16.05.490.

21 \* Sec. 15. AS 16.43.160 is amended to read:

22 Sec. 16.43.160. FEES. (a) The commission shall establish annual  
23 fees for the issuance and annual renewal of entry permits or interim-use  
24 permits [TO REFLECT THE COST OF ADMINISTERING THIS CHAPTER]. Fees  
25 collected under this section shall be paid into the general fund,  
26 except for an amount equal to 50 per cent of the fee each permit holder  
27 would otherwise be obligated to pay for a crewmember license under sec.  
28 480 of this chapter which shall be paid into the Fishermen's Fund under  
29 AS 23.35.060.

1 (b) Annual fees established under this section shall be no less  
2 than \$10 and no more than \$750 [\$100] and shall reasonably reflect the  
3 different rates of economic return for different fisheries.

4 (c) The resident holder of an entry permit or interim-use permit  
5 who has a net family income falling within the Federal Community Ser-  
6 VICES [SOCIAL SECURITY] Administration poverty guidelines, adjusted by  
7 the commission to reflect appropriate cost-of-living differentials, is  
8 subject to a maximum annual fee of \$15 [\$5].

9 \* Sec. 16. AS 23.35.060 is amended to read:

10 Sec. 23.35.060. CREATION AND ADMINISTRATION OF FISHERMEN'S FUND.  
11 There is created a fund, designated as the "Fishermen's Fund." The  
12 Department of Revenue is the custodian of the fund and the Department of  
13 Labor shall administer it. The fund shall be composed of 60 per cent of  
14 the money derived by the state from each crewmember fishing license  
15 issued under AS 16.05.480, an equal amount of the money derived by the  
16 state from each commercial fisherman who is issued a permit under AS  
17 16.43 [ALL COMMERCIAL FISHERMEN'S LICENSES, INCLUDING CLAM DIGGERS'  
18 LICENSES], and money appropriated to carry out the purpose of secs. 10 -  
19 150 of this chapter.

20 \* Sec. 17. AS 23.35.150(4) is amended to read:

21 (4) "fisherman" means a person who is licensed by the state  
22 to engage in commercial fishing under AS 16.05.480 or who is the holder  
23 of a permit issued under AS 16.43 and who, at the time injury is sus-  
24 tained or illness is contracted, is actually so engaged or is occupied  
25 in Alaska in preparing or dismantling boats or gear used in commercial  
26 fishing;

27 \* Sec. 18. AS 44.25.020(2) is amended to read:

28 (2) collect, account for, have custody of, invest, and  
29 manage all state funds and all revenues of the state except revenues

1 incidental to a program of licensing and regulation carried on by  
2 another state department, except that the Department of Revenue shall  
3 issue fish and game licenses other than vessel licenses under AS 16.05.~  
4 490 - 16.05.530, collect fish and game license revenues, other than  
5 revenues from vessel licenses under AS 16.05.490 - 16.05.530, and do all  
6 other acts incidental to the performance of these functions;

7 \* Sec. 19. AS 16.05.450(c), 16.05.490(b), (c), (d), and (e), 16.05.500,  
8 16.05.540 - 16.05.650, and 16.05.670 are repealed.

9 \* Sec. 20. Section 7 of this Act takes effect immediately in accordance  
10 with AS 01.10.070(c). Sections 1 - 6 and 8 - 19 of this Act take effect  
11 January 1, 1978.

CS ~~112~~ SB 128

OK  
3/27

\*Sec. 4. AS 16.05.460 is amended to read:

Sec. 16.05.460. COMMISSIONER OF REVENUE MAY APPOINT AGENTS [DEPUTIES].

The commissioner of revenue may appoint qualified persons as his agents [DEPUTIES] to receive applications, issue licenses, and collect license fees under secs. 440-480 [720] of this chapter, and to assist in the completion of annual application/renewal forms for interim-use and entry permits under secs. 16.43.150 and 16.43.210-220. ✓

\*Sec. 5. AS 16.05.470 is amended to read:

Sec. 16.05.470. FEE FOR ISSUANCE OF LICENSES AND PERMIT RENEWAL ASSISTANCE.

(a) A person appointed and authorized by the commissioner of revenue to sell licenses under secs. 440 - 480 [720] of this chapter, except salaried employees of the state, shall retain the sum of 15 [FIVE] percent of the fee for the issuance of a license. An agent [A DEPUTY] shall transmit monthly to the commissioner all license fees collected by him, less the authorized commission, together with a full accounting of the fees. The commissioner shall make monthly remittances of the fees collected to the proper state official. The commissioner is not liable for defalcation or failure to account for the fees collected by an agent [A DEPUTY], but he shall require a bond in the sum he considers adequate, conditioned upon the faithful accounting of money collected.

(b) A person appointed ~~and authorized~~ <sup>of revenue</sup> by the commissioner <sup>to</sup> under sec. ~~16.05.460~~ to issue licenses under secs. 440 - 480 [720] of this chapter, except salaried employees of the state, shall retain the sum of 15 [FIVE] per cent of ~~the fee for the issuance of~~ <sup>fee</sup> the interim-use or entry permit for assisting in completion of the annual application/renewal form for said interim - use or entry permit. An agent [A DEPUTY] shall transmit <sup>promptly</sup> [monthly] to the Commercial Fisheries Entry Commission all application/renewal forms and fees collected by him, less the authorized commission, together with a full accounting of the fees. [THE COMMISSIONER SHALL MAKE MONTHLY REMITTANCES OF THE FEES COLLECTED

TO THE PROPER STATE OFFICIAL.] The commissioner ~~and~~ and the Commercial Fisheries Entry Commission-are [IS] not liable for defalcation or failure to account for the fees collected by an agent [A DEPUTY], but the commissioner [HE] shall require a bond in the sum he considers adequate, conditioned upon the faithful accounting of money collected.

LEGISLATIVE BUDGET

I. REQUEST  
 Bill/Resolution No. \_\_\_\_\_  
 Title An act relating to commercial fishing licenses  
 Requested by Office of the Governor Date JANUARY 27, 1977

II. FISCAL DETAIL  
 Agency Affected Office of the Governor, Depts. of Revenue and Fish and Game  
 Program Category Affected HPFEC  
 Budget Request Unit(s) Affected Alaska Commercial Fisheries Entry Commission

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES		6.1	(.8)	(1.6)		
200 TRAVEL		1.6	.8	.8		
300 CONTRACTUAL		(21.7)	(27.5)	(28.3)		
400 COMMODITIES		(2.8)	(2.9)	(3.1)		
500 EQUIPMENT		2.5	-0-	-0-		
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>		<b>(14.3)</b>	<b>(30.4)</b>	<b>(32.2)</b>		

FUNDING (Thousands of Dollars)

GENERAL FUND		(14.3)	(30.4)	(32.2)		
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY		1/6 mos.	0	0		

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)  
 This new program will save the State \$76.9 over the next three fiscal years. These savings will result from 1) the reduction in duplication of effort by State agencies, and 2) the elimination of gear and vessel licensing functions of commercial vendors.

(see attachment for schedule of savings)

IV. DATE January 27, 1977 PREPARED BY Joyanne Bloom  
 AGENCY Office of the Governor  
 Original: Legislative Finance PHONE \_\_\_\_\_  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

	<u>FY 78</u>	<u>FY 79</u>	<u>FY 80</u>
1. Increased Administrative Costs of Fisheries Entry Commission	40.7	26.4	26.6
2. Reduction in Administrative Costs of Dept. of Fish and Game	(10.7)	(11.3)	(12.0)
3. Reduction in Administrative Costs of Dept. of Revenue (includes savings on commissions paid to commercial vendors)	<u>(44.3)</u>	<u>(45.5)</u>	<u>(46.8)</u>
TOTAL Gross Savings	(55.0)	(56.8)	(58.8)
TOTAL Net Savings	(14.3)	(30.4)	(32.2)

February 4, 1977

The Honorable John L. Rader  
President of the Senate  
Alaska State Legislature  
Juneau, Alaska 99811

Dear Mr. President:

Under the authority of art. III, sec. 18 of the Alaska Constitution, and in accordance with AS 24.30.060 (b) and the Uniform Rules of the Alaska State Legislature, I am transmitting a bill related to commercial fishing licensing. The bill would eliminate the currently required gear license and commercial fishing license for holders of entry permits and thus simplify the paper-work of license applications for all concerned, especially the fishermen. The number of pieces of paper necessary to fish would be decreased from 4 to 2. One of these two, the vessel license, would be freely transferable between fishermen using the same vessel as it would be issued "anonymously" to a vessel, not to a person. The function of issuing vessel licenses would be transferred from the Department of Revenue to the Commercial Fisheries Entry Commission.

The bill would authorize the Entry Commission to establish permit fees to reflect the inclusion of fees formerly required for gear and commercial license. Finally, the bill amends statutes relating to the Commercial Fishing Loan Program and the Fisherman's Fund to reflect all these licensing changes.

I urge special consideration of this bill as it implements a part of recommendation number 3 (revised) of the Management and Efficiency Review study.

Sincerely,

Jay S. Hammond  
Governor

Offered: 3/14/77  
Referred: Finance

Original sponsor: Rules Committee by request  
of the Governor

1 IN THE SENATE

BY THE RESOURCES COMMITTEE

2 CS FOR SENATE BILL NO. 128

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to commercial fishing licensing; and  
7 providing for an effective date."

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

9 \* Section 1. AS 16.05.065 is amended to read:

10 Sec. 16.05.065. APPLICATION EXTENSION. (a) The commissioner  
11 shall extend the time and dates during which application may be made for  
12 fish or game [LICENSING OR] registration if he finds that

13 (1) the conservation and management of the fish or game  
14 resource will not be affected adversely; and

15 (2) the failure to timely apply is the result of excusable  
16 neglect.

17 (b) The fee for an extension granted under this section is \$45.  
18 [UPON THE GRANTING OF AN EXTENSION TO AN APPLICANT AND UPON THE APPLI-  
19 CANT'S COMPLIANCE WITH THIS CHAPTER, THE COMMISSIONER OF REVENUE OR HIS  
20 AUTHORIZED DEPUTY SHALL ISSUE THE APPROPRIATE LICENSES AND TAGS.]

21 (c) As used in this section, "excusable neglect" does not include  
22 unfamiliarity with or ignorance of applicable laws and regulations. In  
23 order to show excusable neglect, a person must have demonstrated, before  
24 the registration deadline, an intent to harvest fish or game. [THE FEE  
25 FOR AN EXTENSION GRANTED UNDER THIS SECTION IS \$45.]

26 \* Sec. 2. AS 16.05.450(a) is amended to read:

27 ARTICLE 4. LICENSING OF COMMERCIAL FISHING CREW-

28 MEMBERS [FISHERMEN], AND VESSELS [AND GEAR].

29 (a) The commissioner of revenue or his authorized agent [DEPUTY]

1 failure to account for the fees collected by an agent [A DEPUTY], but he  
2 shall require a bond in the sum he considers adequate, conditioned upon  
3 the faithful accounting of money collected.

4 \* Sec. 6. AS 16.05 is amended by adding a new section to read:

5 Sec. 16.05.475. REGISTRATION OF FISHING VESSELS. (a) It is un-  
6 lawful for any person to employ a fishing vessel in the water of Alaska  
7 unless it is registered under the laws of the state. Vessels registered  
8 under the laws of another state, and persons residing in another state,  
9 are not excused from this provision.

10 (b) The term "employ", as used in this section, shall be defined  
11 by the Board of Fisheries through the adoption of regulations under the  
12 Administrative Procedure Act (AS 44.62). The definition may include any  
13 activities involving the use or navigation of fishing vessels.

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15 this section, shall be defined by the Board of Fisheries through the  
16 adoption of regulations under the Administrative Procedure Act (AS 44.-  
17 62). The definition may include any existing requirements regarding  
18 registration, licenses, permits, and similar matters imposed by law or  
19 regulation together with modifications of them and with any additional  
20 requirements the board finds necessary to maximize the authority of the  
21 state to apply and enforce fisheries regulations under the Fishery Con-  
22 servation and Management Act of 1976 (P.L. 94-265, 90 Stat. 331, 16  
23 U.S.C. 1801 et seq.).

24 (d) The term "fishing vessel", as used in this section, means any  
25 vessel, boat, ship, or other craft which is used for, equipped to be  
26 used for, or of a type which is normally used for

27 (1) fishing, or

28 (2) aiding or assisting one or more vessels at sea in the  
29 performance of any activity relating to fishing, including, but not

# **CORRECTION**

**THIS DOCUMENT  
HAS BEEN REPHOTOGRAPHED  
TO ASSURE LEGIBILITY**

Original sponsor: Rules Committee by request  
of the Governor

1 IN THE SENATE

BY THE RESOURCES COMMITTEE

2 CS FOR SENATE BILL NO. 128

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to commercial fishing licensing; and  
7 providing for an effective date."

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

9 \* Section 1. AS 16.05.065 is amended to read:

10 Sec. 16.05.065. APPLICATION EXTENSION. (a) The commissioner  
11 shall extend the time and dates during which application may be made for  
12 fish or game [LICENSING OR] registration if he finds that

13 (1) the conservation and management of the fish or game  
14 resource will not be affected adversely; and

15 (2) the failure to timely apply is the result of excusable  
16 neglect.

17 (b) The fee for an extension granted under this section is \$45.

18 [UPON THE GRANTING OF AN EXTENSION TO AN APPLICANT AND UPON THE APPLI-  
19 CANT'S COMPLIANCE WITH THIS CHAPTER, THE COMMISSIONER OF REVENUE OR HIS  
20 AUTHORIZED DEPUTY SHALL ISSUE THE APPROPRIATE LICENSES AND TAGS.]

21 (c) As used in this section, "excusable neglect" does not include  
22 unfamiliarity with or ignorance of applicable laws and regulations. In  
23 order to show excusable neglect, a person must have demonstrated, before  
24 the registration deadline, an intent to harvest fish or game. [THE FEE  
25 FOR AN EXTENSION GRANTED UNDER THIS SECTION IS \$45.]

26 \* Sec. 2. AS 16.05.450(a) is amended to read:

27 ARTICLE 4. LICENSING OF COMMERCIAL FISHING CREW-  
28 MEMBERS [FISHERMEN], AND VESSELS [AND GEAR].

29 (a) The commissioner of revenue or his authorized agent [DEPUTY]

1 shall issue a crewmember fishing license under sec. 480 of this chapter  
2 to each qualified person who files a written application at a place  
3 [PLACES] in the state designated by the commissioner, containing the  
4 reasonable information required by the commissioner together with the  
5 required fee. The application shall be simple in form and shall be  
6 executed by the applicant under the penalty of perjury.

7 \* Sec. 3. AS 16.05.450(b) is repealed and re-enacted to read:

8 (b) The Commercial Fisheries Entry Commission shall issue a  
9 vessel license under sec. 490 of this chapter to each qualified vessel  
10 for which a written application has been filed at a place in the state  
11 designated by the commission, containing the reasonable information  
12 required by the commission together with the required fee. The applica-  
13 tion shall be simple in form and shall be executed by the applicant  
14 under the penalty of perjury.

15 \* Sec. 4. AS 16.05.460 is amended to read:

16 Sec. 16.05.460. COMMISSIONER OF REVENUE MAY APPOINT AGENTS  
17 [DEPUTIES]. The commissioner of revenue may appoint qualified persons  
18 as his agents [DEPUTIES] to receive applications, issue licenses, and  
19 collect license fees under secs. 440 - 480 [720] of this chapter.

20 \* Sec. 5. AS 16.05.470 is amended to read:

21 Sec. 16.05.470. FEE FOR ISSUANCE OF LICENSES. A person appointed  
22 and authorized by the commissioner of revenue to sell licenses under  
23 secs. 440 - 480 [720] of this chapter, except salaried employees of the  
24 state, shall retain the sum of 15 [FIVE] per cent of the fee for the  
25 issuance of a license. An agent [A DEPUTY] shall transmit monthly to  
26 the commissioner all fees collected by him, less the authorized commis-  
27 sion, together with a full accounting of the fees. The commissioner  
28 shall make monthly remittances of the fees collected to the proper  
29 state official. The commissioner is not liable for defalcation or

1 failure to account for the fees collected by an agent [A DEPUTY], but he  
2 shall require a bond in the sum he considers adequate, conditioned upon  
3 the faithful accounting of money collected.

4 \* Sec. 6. AS 16.05 is amended by adding a new section to read:

5 Sec. 16.05.475. REGISTRATION OF FISHING VESSELS. (a) It is un-  
6 lawful for any person to employ a fishing vessel in the water of Alaska  
7 unless it is registered under the laws of the state. Vessels registered  
8 under the laws of another state, and persons residing in another state,  
9 are not excused from this provision.

10 (b) The term "employ", as used in this section, shall be defined  
11 by the Board of Fisheries through the adoption of regulations under the  
12 Administrative Procedure Act (AS 44.62). The definition may include any  
13 activities involving the use or navigation of fishing vessels.

14 (c) The term "registered under the laws of the state", as used in  
15 this section, shall be defined by the Board of Fisheries through the  
16 adoption of regulations under the Administrative Procedure Act (AS 44.-  
17 62). The definition may include any existing requirements regarding  
18 registration, licenses, permits, and similar matters imposed by law or  
19 regulation together with modifications of them and with any additional  
20 requirements the board finds necessary to maximize the authority of the  
21 state to apply and enforce fisheries regulations under the Fishery Con-  
22 servation and Management Act of 1976 (P.L. 94-265, 90 Stat. 331, 16  
23 U.S.C. 1801 et seq.).

24 (d) The term "fishing vessel", as used in this section, means any  
25 vessel, boat, ship, or other craft which is used for, equipped to be  
26 used for, or of a type which is normally used for

27 (1) fishing, or

28 (2) aiding or assisting one or more vessels at sea in the  
29 performance of any activity relating to fishing, including, but not

1 limited to, preparation, supply, storage, refrigeration, transportation,  
2 or processing.

3 \* Sec. 7. AS 16.05.480 is amended to read:

4 Sec. 16.05.480. CREWMEMBER [COMMERCIAL] FISHING LICENSE. (a) A  
5 commercial fisherman who does not hold a permit issued under ch. 43 of  
6 this title [PERSON ENGAGED IN COMMERCIAL FISHING] shall obtain a crew-  
7 member [COMMERCIAL] fishing license. The fee for the license is \$10 for  
8 residents, and \$30 for nonresidents. All crewmember [COMMERCIAL] fish-  
9 ing licenses are nontransferable and shall be retained in the possession  
10 of the licensee, readily accessible for inspection at all times.

11 (b) A person applying for a resident crewmember [COMMERCIAL]  
12 license under this section shall provide the proof of [HIS] residence  
13 which the department requires by regulation.

14 (c) The commissioner of revenue or his authorized agent may issue  
15 a duplicate crewmember fishing license as a replacement for a license  
16 issued under (a) of this section. A fee of \$2 shall be charged for each  
17 duplicate license and the duplicate may not be issued unless the commis-  
18 sioner or his agent is satisfied that the original has been lost or  
19 destroyed.

20 \* Sec. 8. AS 16.05.520 is amended to read:

21 Sec. 16.05.520. NUMBER PLATE. (a) The vessel license includes a  
22 permanent number plate. The number plate shall be accompanied by a tab  
23 affixed to it designating the year to be fished. A number plate is not  
24 transferable, and it shall be considered a permanent fixture upon the  
25 vessel upon which it is originally placed. It shall be securely fas-  
26 tened well forward on the port side in plain sight. On a vessel with a  
27 superstructure the plate shall be fastened on the port side of the  
28 superstructure. A number plate remains the property of the state. If  
29 a permanent number plate is accidentally defaced, mutilated, destroyed,

1 or lost, the person owning or operating the vessel shall immediately  
2 apply for and may obtain a duplicate upon furnishing the Commercial  
3 Fisheries Entry Commission [DEPARTMENT OF REVENUE] with the pertinent  
4 facts and a payment of \$2.

5 (b) If a vessel carrying a number plate is lost, destroyed, or  
6 sold, the owner shall immediately report the loss, destruction, or sale  
7 to the Commercial Fisheries Entry Commission [DEPARTMENT OF REVENUE].

8 \* Sec. 9. AS 16.05.530 is amended to read:

9 Sec. 16.05.530. ANNUAL RENEWAL OF VESSEL LICENSE. Upon annual  
10 payment of a license fee of \$20 [\$10 FOR A RESIDENT AND \$30 FOR A  
11 NONRESIDENT], and filing of the name and address of the owner or his  
12 authorized agent [AND OPERATOR] of the vessel, the name and number of  
13 the vessel, a description of the vessel [AND FISHING GEAR], vessel  
14 license number, if any, the area to be fished, and other reasonable  
15 information required by the Commercial Fisheries Entry Commission  
16 [DEPARTMENT OF REVENUE], the commission [DEPARTMENT OF REVENUE] shall  
17 issue a number plate and a vessel license. If the vessel has a number  
18 plate, the commission [DEPARTMENT OF REVENUE] shall issue a vessel  
19 license and tab designating the year. The tab shall be placed in the  
20 space provided on the permanent number plate.

21 \* Sec. 10. AS 16.05.680 is amended to read:

22 Sec. 16.05.680. UNLAWFUL PURCHASES. It is unlawful for a person,  
23 his agent, or his representative

24 (1) to have in his employ, in the harvesting, transporting  
25 or purchasing of fish, a fisherman who neither is [NOT] licensed under  
26 sec. 480 of this chapter nor is the holder of a permit issued under ch.  
27 43 of this title,

28 (2) to purchase fish from a fisherman who neither is the  
29 holder of a permit, issued under ch. 43 of this title, nor is exempt

1        under sec. 660 of this chapter [NOT SO LICENSED, IF THE FISHERMAN IS  
2 NOT EXEMPT UNDER SEC. 660 OF THIS CHAPTER FROM THE LICENSE REQUIREMENT  
3 OF SEC. 480 OF THIS CHAPTER WITHOUT REGARD TO THE EMPLOYMENT OR PUR-  
4 CHASE], or

5                (3) to purchase fish from an association other than one to  
6 which a permit has been issued [WHICH IS NOT EXEMPT] under sec. 662 of  
7 this chapter.

8 \* Sec. 11. AS 16.05.940(2) is amended to read:

9                (2) "commercial fisherman" means an individual who fishes  
10 commercially for, takes, or attempts to take fish, shellfish, or other  
11 fishery resources of the state by any means, and includes every indi-  
12 vidual aboard a boat operated for fishing purposes who participates  
13 directly or indirectly in the taking of these raw fishery products,  
14 whether participation is on shares or as an employee or otherwise;  
15 however, this definition does not apply to anyone aboard a licensed  
16 vessel as a visitor or guest who does not directly or indirectly parti-  
17 cipate in the taking, [OR TO THE SPOUSE OF A COMMERCIAL FISHERMAN WHO  
18 DOES NOT RECEIVE INCOME SEPARATE AND DISTINCT FROM THAT OF THE COMMER-  
19 CIAL FISHERMAN SPOUSE AS A RESULT OF THE SPOUSE'S PARTICIPATION]; and  
20 the term "commercial fisherman" includes the crews of tenders or other  
21 floating craft used in transporting fish;

22 \* Sec. 12. AS 16.10.310(a)(1)(A) is amended to read:

23                (A) individual commercial fishermen who have been state  
24 residents for a continuous period of five years and have had a  
25 crewmember or commercial fishing license under AS 16.05.480 or a  
26 permit under ch. 43 of this title for three years, for the repair,  
27 restoration or upgrading of existing vessels and gear, [AND] for  
28 the purchase of entry permits and gear, and for the construction  
29 and purchase of vessels; and

1 \* Sec. 13. AS 16.43.100(a) is amended by adding a new paragraph to read:  
2 (14) administer the issuance of commercial fishing vessel  
3 licenses under AS 16.05.490.

4 \* Sec. 14. AS 16.43.160 is amended to read:

5 Sec. 16.43.160. FEES. (a) The commission shall establish annual  
6 fees for the issuance and annual renewal of entry permits or interim-use  
7 permits [TO REFLECT THE COST OF ADMINISTERING THIS CHAPTER]. Fees  
8 collected under this section shall be paid into the general fund,  
9 except for an amount equal to 60 per cent of the fee each permit holder  
10 would otherwise be obligated to pay for a crewmember license under sec.  
11 480 of this chapter which shall be paid into the Fishermen's Fund under  
12 AS 23.35.060.

13 (b) Annual fees established under this section shall be no less  
14 than \$10 and no more than \$750 [\$100] and shall reasonably reflect the  
15 different rates of economic return for different fisheries.

16 (c) The resident holder of an entry permit or interim-use permit  
17 who has a net family income falling within the Federal Community Ser-  
18 vices [SOCIAL SECURITY] Administration poverty guidelines, adjusted by  
19 the commission to reflect appropriate cost-of-living differentials, is  
20 subject to a maximum annual fee of \$15 [\$5].

21 \* Sec. 15. AS 23.35.060 is amended to read:

22 Sec. 23.35.060. CREATION AND ADMINISTRATION OF FISHERMEN'S FUND.  
23 There is created a fund, designated as the "Fishermen's Fund." The  
24 Department of Revenue is the custodian of the fund and the Department of  
25 Labor shall administer it. The fund shall be composed of 60 per cent of  
26 the money derived by the state from each crewmember fishing license  
27 issued under AS 16.05.480, an equal amount of the money derived by the  
28 state from each commercial fisherman who is issued a permit under AS  
29 16.43 [ALL COMMERCIAL FISHERMEN'S LICENSES, INCLUDING CLAM DIGGERS'

1 LICENSES], and money appropriated to carry out the purpose of secs. 10 -  
2 150 of this chapter.

3 \* Sec. 16. AS 23.35.150(4) is amended to read:

4 (4) "fisherman" means a person who is licensed by the state  
5 to engage in commercial fishing under AS 16.05.480 or who is the holder  
6 of a permit issued under AS 16.43 and who, at the time injury is sus-  
7 tained or illness is contracted, is actually so engaged or is occupied  
8 in Alaska in preparing or dismantling boats or gear used in commercial  
9 fishing;

10 \* Sec. 17. AS 44.25.020(2) is amended to read:

11 (2) collect, account for, have custody of, invest, and  
12 manage all state funds and all revenues of the state except revenues  
13 incidental to a program of licensing and regulation carried on by  
14 another state department, except that the Department of Revenue shall  
15 issue fish and game licenses other than vessel licenses under AS 16.05.-  
16 490 - 16.05.530, collect fish and game license revenues, other than  
17 revenues from vessel licenses under AS 16.05.490 - 16.05.530, and do all  
18 other acts incidental to the performance of these functions;

19 \* Sec. 18. AS 16.05.450(c), 16.05.490(b), (c), (d), and (e), 16.05.500,  
20 16.05.540 - 16.05.650, and 16.05.670 are repealed.

21 \* Sec. 19. This Act takes effect January 1, 1978.

Introduced: 2/4/77  
Referred: Resources and Finance

1 IN THE SENATE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

2 SENATE BILL NO. 128

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16 neglect.

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20 HIS AUTHORIZED DEPUTY SHALL ISSUE THE APPROPRIATE LICENSES AND TAGS.]

21 (c) As used in this section, "excusable neglect" does not in-  
22 clude unfamiliarity with or ignorance of applicable laws and regula-  
23 tions. In order to show excusable neglect, a person must have demon-  
24 strated, before the registration deadline, an intent to harvest fish  
25 or game. [THE FEE FOR AN EXTENSION GRANTED UNDER THIS SECTION IS \$45.]

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1 shall issue a crewmember fishing license under sec. 480 of this chapter  
2 to each qualified person who files a written application at a place  
3 [PLACES] in the state designated by the commissioner, containing the  
4 reasonable information required by the commissioner together with the  
5 required fee. The application shall be simple in form and shall be  
6 executed by the applicant under the penalty of perjury.

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22 and authorized by the commissioner of revenue to sell licenses under  
23 secs. 440 - 480 [720] of this chapter, except salaried employees of  
24 the state, shall retain the sum of 10 [FIVE] per cent of the fee for  
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26 to the commissioner all fees collected by him, less the authorized  
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7 PERSON ENGAGED IN COMMERCIAL FISHING] shall obtain a crewmember [COM-  
8 MERCIAL] fishing license. The fee for the license is \$10 for residents,  
9 and \$30 for nonresidents. All crewmember [COMMERCIAL] fishing licenses  
10 are nontransferable and shall be retained in the possession of the  
11 licensee, readily accessible for inspection at all times.

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13 license under this section shall provide the proof of [HIS] residence  
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15 the vessel, a description of the vessel [AND FISHING GEAR], vessel  
16 license number, if any, the area to be fished, and other reasonable  
17 information required by the Commercial Fisheries Entry Commission  
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22 space provided on the permanent number plate.

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24 Sec. 16.05.680. UNLAWFUL PURCHASES. It is unlawful for a person,  
25 his agent, or his representative

26 (1) to have in his employ, in the harvesting, transporting  
27 or purchasing of fish, a fisherman who neither is [NOT] licensed under  
28 sec. 480 of this chapter nor is the holder of a permit issued under AS  
29 16.43.

1 (2) to purchase fish from a fisherman who neither is the  
2 holder of a permit, issued under AS 16.43, nor is exempt under sec.  
3 660 of this chapter [NOT SO LICENSED, IF THE FISHERMAN IS NOT EXEMPT  
4 UNDER SEC. 660 OF THIS CHAPTER FROM THE LICENSE REQUIREMENT OF SEC.  
5 480 OF THIS CHAPTER WITHOUT REGARD TO THE EMPLOYMENT OR PURCHASE], or

6 (3) to purchase fish from an association other than one to  
7 which a permit has been issued [WHICH IS NOT EXEMPT] under sec. 662 of  
8 this chapter.

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10 (2) "commercial fisherman" means an individual who fishes  
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12 fishery resources of the state by any means, and includes every indi-  
13 vidual aboard a boat operated for fishing purposes who participates  
14 directly or indirectly in the taking of these raw fishery products,  
15 whether participation is on shares or as an employee or otherwise;  
16 however, this definition does not apply to anyone aboard a licensed  
17 vessel as a visitor or guest who does not directly or indirectly  
18 participate in the taking, [OR TO THE SPOUSE OF A COMMERCIAL FISHERMAN  
19 WHO DOES NOT RECEIVE INCOME SEPARATE AND DISTINCT FROM THAT OF THE  
20 COMMERCIAL FISHERMAN SPOUSE AS A RESULT OF THE SPOUSE'S PARTICIPATION];  
21 and the term "commercial fisherman" includes the crews of tenders or  
22 other floating craft used in transporting fish;

23 \* Sec. 11. AS 16.10.310(a)(1)(A) is amended to read:

24 (A) individual commercial fishermen who have been  
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27 or a permit under AS 16.43 for three years, for the repair,  
28 restoration or upgrading of existing vessels and gear, [AND] for  
29 the purchase of entry permits and gear, and for the construction

1 and purchase of vessels; and

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4 (14) administer the issuance of commercial fishing vessel  
5 licenses under AS 16.05.490.

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7 Sec. 16.43.160. FEES. (a) The commission shall establish  
8 annual fees for the issuance and annual renewal of entry permits or  
9 interim-use permits [TO REFLECT THE COST OF ADMINISTERING THIS CHAPTER].  
10 Fees collected under this section shall be paid into the general fund,  
11 except for an amount equal to 60 per cent of the fee each permit  
12 holder would otherwise be obligated to pay for a crewmember license  
13 under sec. 480 of this chapter which shall be paid into the Fishermen's  
14 Fund under AS 23.35.060.

15 (b) Annual fees established under this section shall be not less  
16 than \$10 and no more than \$500 [\$100] and shall reasonably reflect the  
17 different rates of economic return for different fisheries.

18 (c) The resident holder of an entry permit or interim-use permit  
19 who has a net family income falling within the Federal Community  
20 Services [SOCIAL SECURITY] Administration poverty guidelines, adjusted  
21 by the commission to reflect appropriate cost-of-living differentials,  
22 is subject to a maximum annual fee of \$15 [\$5].

23 \* Sec. 14. AS 23.35.060 is amended to read:

24 Sec. 23.35.060. CREATION AND ADMINISTRATION OF FISHERMEN'S FUND.  
25 There is created a fund, designated as the "Fishermen's Fund." The  
26 Department of Revenue is the custodian of the fund and the Department  
27 of Labor shall administer it. The fund shall be composed of 60 per  
28 cent of the money derived by the state from each crewmember fishing  
29 license issued under AS 16.05.480, an amount of money equal to that

1 derived by the state from each commercial fisherman who is issued a  
2 permit under AS 16.43 [ALL COMMERCIAL FISHERMEN'S LICENSES, INCLUDING  
3 CLAM DIGGERS' LICENSES], and money appropriated to carry out the  
4 purpose of secs. 10 - 150 of this chapter.

5 \* Sec. 15. AS 23.35.150(4) is amended to read:

6 (4) "fisherman" means a person who is licensed by the state  
7 to engage in commercial fishing under AS 16.05.480 or who is the  
8 holder of a permit issued under AS 16.43 and who, at the time injury  
9 is sustained or illness is contracted, is actually so engaged or is  
10 occupied in Alaska in preparing or dismantling boats or gear used in  
11 commercial fishing;

12 \* Sec. 16. AS 44.25.020(2) is amended to read:

13 (2) collect, account for, have custody of, invest, and  
14 manage all state funds and all revenues of the state except revenues  
15 incidental to a program of licensing and regulation carried on by  
16 another state department, except that the Department of Revenue shall  
17 issue fish and game licenses other than vessel licenses under AS  
18 16.05.490 - 16.05.530, collect fish and game license revenues, other  
19 than revenues from vessel licenses under AS 16.05.490 - 16.05.530, and do  
20 all other acts incidental to the performance of these functions;

21 \* Sec. 17. AS 16.05.450(c); 16.05.490(b), (c), (d), and (e); 16.05.500;  
22 16.05.540 - 16.05.650; and 16.05.670 are repealed.

23 \* Sec. 18. This Act takes effect January 1, 1978.  
24  
25  
26  
27  
28  
29

2-4-77 in Senate  
Resources

# STATE OF ALASKA

## COMMERCIAL FISHERIES ENTRY COMMISSION

JAY S. HAMMONS, GOVERNOR

POUCH KB - JUNEAU 99801

February 23, 1977

The Honorable John C. Sackett  
Chairman, Senate Finance Committee  
Capitol Building  
Juneau, Alaska 99801

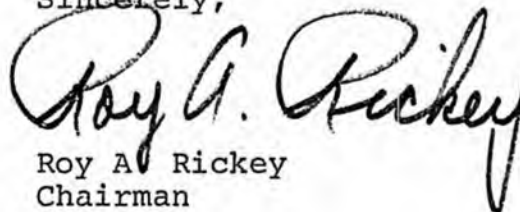
Dear Senator Sackett:

Enclosed please find a report explaining the rationale behind Senate Bill No. 128. This should assist you and your committee when reviewing the bill. If questions should arise which are not answered in the report, please do not hesitate to contact the Commission.

The Commission, along with the Departments of Fish and Game, Revenue, and Public Safety, have worked for months formulating a fair, simple and practical system of commercial fishing licensing. The new system we are proposing will result in eliminating State agency duplication of time and effort, create a much needed data base, and most important will eliminate much of the bureaucratic paperwork for the fishermen.

We have received wholehearted support from fishermen and fishermen's groups we have discussed this new program with. I urge your approval of the new licensing program proposed in SB 128.

Sincerely,

  
Roy A. Rickey  
Chairman

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Enclosure

A REPORT ON  
SENATE BILL NO. 128

by The Commercial Fisheries Entry Commission

with the concurrence of:  
The Department of Fish and Game  
The Department of Revenue  
The Department of Public Safety

February 22, 1977

## SENATE BILL NO. 128

"An Act relating to commercial fishing licensing and providing for an effective date."

### Introduction

The Governor's bill entitled "An Act relating to commercial fishing licensing and providing for an effective date" presents the legislature with a new program of commercial fisheries licensing. The departments of Fish and Game and Revenue and the Commercial Fisheries Entry Commission designed this program to ease the paperwork for the fisherman, to save time and money for the State and to increase the accuracy and availability of the licensing data base.

### Program Description

The new licensing program eliminates the gear and commercial licenses, separates the vessel license from an assigned operator and creates a crewmember license similar to the commercial license. A renewed entry permit will be the only requirement for a gear operator in order to participate in a fishery. A vessel used in commercial fishing must be licensed and no indication of who will operate the boat will be needed. People who participate in the fishery as crewmembers will have to obtain a crewmember license.

A resident, non-resident fee system for permits will be initiated in the proposed licensing program. This will compensate for revenue previously received for gear and commercial licenses based on residency. The 3 to 1 non-resident fee ratio used for gear licenses will be adopted for the permit fee schedule.

In the present system, vessel licenses are issued to operators. This has caused considerable inconvenience to the fishermen since Revenue and/or Fish and Game forms must be completed each time a fisherman changes vessels or takes on additional operators. The Department of Fish and Game also finds this paperwork time consuming and unnecessary. Without the operator connected to the vessel, there will no longer be a residency distinction and the proposed license program will charge one fee for the vessel license.

The Commercial Fisheries Entry Commission will continue to issue entry permits and will incorporate vessel licensing in its renewal system making licensing for gear operators one simple function. Each year forms will be sent to every permit holder with his renewal information pre-printed by computer. The recipient simply makes any necessary corrections, signs the form and returns it to the Commission with the appropriate fees. The permit holder and the vessel will then be licensed for the coming year. This new procedure for licensing requires far less time and effort for the fisherman than the present licensing system in which he has to obtain three Fish and Game licenses from the Department of Revenue and an entry permit from the Commercial Fisheries Entry Commission.

The Department of Revenue licensing division will issue licenses to crewmembers using its license vendor outlets. The holder of a renewed entry permit may participate in any fishery as a crewmember without purchasing a crewmember license.

The Alaska Fishermen's Fund will be maintained at its current level. This Fund provides for the treatment and care of Alaska commercial fishermen who are injured or become ill in commercial fishing activities. The Commercial Fisheries Entry Commission will assume responsibility for the transfer of money to cover each permit holder. The Department of Revenue will also transfer money to the fund for each crewmember license sold.

#### Revenue Analysis

The gear and commercial fishing licenses are being discontinued and will no longer contribute to the State's commercial license revenue. The anonymous vessel license and the new crewmember license will only partly make up for this loss. The rest must come from increased permit fees.

As seen in Table I, State revenues derived from the four types of license and permits now available approximated \$1.5 million for each of the last four years. The new system is expected to produce \$2.6 from the new vessel and crewmember

licenses and entry permits. The increase in revenue will come mainly from the three to one non-resident to resident permit fee differentiation.

Vessel license revenue will be based on a new fee. An anonymous \$20 fee will replace the previous \$10 fee for a resident vessel operator and \$30 fee for the non-resident. When the \$20 fee is applied to the number of vessel licenses sold in the past, vessel revenue totals \$254,380, approximately \$100,000 more than previous years. (Table II)

To project crewmember license revenue, the number of commercial license sold to persons who did not also have a gear license is used to estimate the number of people who were crewmembers. The percentages of resident and non-resident commercial licenses sold in the past are applied to the estimated number of crewmembers so total anticipated revenue can be derived. As seen in Table III projected 1978 crewmember revenue is \$113,550.

These two amounts of new fee revenues, \$254,380 for vessel licenses and \$113,550 for crewmember licenses make up only a quarter of total revenues collected in the past. Under the new program the additional revenue must come exclusively from permit fees.

The Limited Entry Law requires permit fees to "reasonably reflect the different rates of economic return for different fisheries". It also calls for the fees to be set by regulation, although a ceiling is mandated. SB 128 raises the ceiling from \$100 to \$500. The new permit fees will remain in about the same proportions as they presently exist. Some adjustments will be made to more closely reflect the rates of economic return for the various fisheries.

When deriving total permit revenues, adjustments must be made to account for poverty permit fees. If a fisherman falls within Federal poverty guidelines he may purchase a permit for a reduced fee. This fee will be increased from \$5 to \$15 to reflect the cost of issuing the permit. The \$15 fee will be less than the total cost of his licenses and permit under the present system.

A doubling of present permit fees closely reflects what the resident fisherman now pays in annual licenses and permits. However, with the 3 to 1 non-resident to resident ratio, the doubled fees will bring the State an extra million dollars in revenue. This extra revenue would bring the total money collected from commercial fishing licensing to \$2.6 million. Table IV compares portions of the new fee schedule with the old schedule.

The cost of managing, rehabilitating and enforcing the fisheries have increased at a rapid rate over the last few years and now totals \$17.6 million. Over the past 5 years the State has operated at an average inflation rate of 7% yet the price of commercial gear and vessel licenses have not increased since 1959. A bill which was passed in last year's Legislature doubled the cost of sports fishing licenses for residents from \$5 to \$10. SB 128 would allow a greater recognition of the State's costs in relation to commercial fisheries while at the same streamlining and improving its licensing program.

Table I  
1974-1976 Licensing Revenue

	<u>1974</u>	<u>1975</u>	<u>1976</u>	<u>Projected 1978</u>
Gear	\$ 425,287	\$ 397,777	\$ 13,805	- - -
Vessel	\$ 152,486	\$ 158,704	\$ 160,737	\$ 254,380
Commercial	\$ 325,020	\$ 334,510	\$ 385,280	\$ 113,550
Permits	<u>\$ 604,924</u>	<u>\$ 646,191</u>	<u>\$ 625,894</u>	<u>\$2,202,395</u>
TOTAL	\$1,507,717	\$1,537,182	<u>\$1,585,716</u>	<u>\$2,570,325</u>

Total figures include money transferred to the Fishermen's Fund, approximately \$200,000 per year. The 1976 revenues for gear, vessel and commercial licenses are preliminary figures. The 1978 Commercial License entry represents revenue to be collected from Crewmember Licenses.

*\$1,000,000* *gf*

Table II

Vessel License Revenue

1975 Resident Licenses	10,369 @ \$10 =	\$103,690
1975 Nonresident Licenses	<u>2,350 @ \$30 =</u>	<u>\$ 70,500</u>
	12,719	\$174,190

Projected 1978 Vessel License Revenue:

Total Licenses	12,719 @ \$20 =	\$254,380
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Table III

Crewmember License Revenue

1975 Commercial licenses less gear licenses: 7,373

73% resident or 5,382 licenses @ \$10/license = \$53,820

27% nonresident or 1,991 licenses @ \$30/license = \$59,730

Projected 1978 Crewmember License Revenue: \$113,550

Table IV

## A COMPARISON OF OLD AND NEW RESIDENT LICENSE AND PERMIT FEES

	<u>Old System</u>			<u>New System</u>	
	Gear License	Commercial License	Permit	Total	Permit
	\$	\$	\$	\$	\$
Purse Seine (Based on 250 fathoms)	70	10	60	140	120
Drift Gill net (Based on 200 fathoms)	20	10	50	80	100
Set Net (Based on 150 fathoms)	15	10	20	45	40
Hand Troll	15	10	20	45	40
Power Troll	15	10	50	75	100
Long Line (Vessel length 26' or less)	25	10	20	55	40
Long Line (Vessel length over 26')	25	10	60	95	120
Pots (Vessel length 50' or less- based on 150 pots)	30	10	50	90	100
Pots (Vessel length over 50'- based on 150 pots)	45	10	100	155	200

Non-Resident fees are three times resident fees

A COMPARISON OF OLD AND NEW NON-RESIDENT LICENSE AND PERMIT FEES

	<u>Old System</u>			<u>New System</u>	
	Gear License	Commercial License	Permit	Total	Permit
Purse Seine (Based on 250 fathoms)	210	30	60	300	360
Drift Gill net (Based on 200 fathoms)	60	30	50	140	300
Set Net (Based on 150 fathoms)	45	30	20	95	120
Hand Troll	45	30	20	95	120
Power Troll	45	30	50	125	300
Long Line (Vessel length 26' or less)	50	30	20	100	120
Long Line (Vessel length over 26')	50	30	60	140	360
Pots (Vessel length 50' or less- based on 150 pots)	90	30	50	170	300
Pots (Vessel length over 50'- based on 150 pots)	135	30	100	265	600