

LEGISLATIVE FINANCE-HOUSE / SENATE FINANCE COMM. FILES 8879

HB 124 cont. 465 50

Provided below is a listing of specific projects, locations, schedules, and estimated costs which we would propose conducting should there be an increase in license and tag fee revenues. Although this list is not complete nor in priority order, it does provide more detail in terms of important project needs identified by Game staff. The projects and associated costs represent needs in addition to current funding levels and work being done. We have other program functions which need additional funding, but other revenue sources (e.g., General Funds) are more appropriate to fund these projects than license revenues.

<u>Project</u>	<u>Location</u>	<u>Schedule</u>	<u>Estimated Costs (X 1000)</u>
Marten research	GMU 4	5 years	56.0/yr
Increase goat surveys	GMU's 1, 5,	Annual	9.0
Expand moose survey and inventory work (S&I)	GMU's 1, 5 & 20	Annual	35.0
Expand deer S&I	GMU's 1, 3, 4, 6, & 8	Annual	31.0
Increase caribou censuses	GMU's 7, 9, 10, 11, & 13-15	Annual	24.0
Increase monitoring of factors affecting caribou carrying capacity	GMU's 7, 9, 11, 13, 15, & 17	Annual	14.0
Increase moose censuses	GMU's 7, 9, 11, 13-16, & 20	Annual	70.0
Expand Moose Research Center work--optimum carrying capacity and bull:cow ratios	GMU 15; Statewide Application	Annual	12.0
Improve moose survey techniques	Statewide	5 years	35.0/yr
Research goat/logging relationships	GMU 6	2 years	33.0/yr
Regional furbearer biologists	Interior & Southcentral	Annual	125.0*

<u>Project</u>	<u>Location</u>	<u>Schedule</u>	<u>Estimated Costs (X 1000)</u>
Increase wolf S&I	GMU's 11-26	Biennial	32.0
Expand furbearer S&I (e.g., lynx, marten, wolverine)	GMU's 6, 7, 9, 13-17, & 19-21	Annual	48.0
Improve lynx and wolverine survey techniques	Statewide	5 years	30.0/yr
Increase sheep surveys	GMU's 7, 11-16, 19, & 20	Biennial	25.0
Elk censuses	GMU 8	Annual	4.0
<u>Moose habitat enhance- ment and evaluation</u>	GMU's 1, 5, 7, 12, 14, 15, & 20	5 years	160.0/yr
Increase field presence and law enforcement	Statewide	Annual	45.0
<u>Predator-prey research and expand S&I</u>	GMU 13	Annual	125.0*
Mentasta caribou herd calf mortality study	GMU 11	One time	50.0
Southern AK Pen. caribou calf mortality study	GMU 9	One time	65.0
<u>Wildlife enhancement and fire management coordination</u>	Interior & Southcentral	Annual	140.0*
Test infra-red bear census technique	GMU's 8, 9, & 17	One time	12.0
Initiate public cabin use program on selected refuges	GMU's 14 & 16	Annual	100.0-1st yr; 25.0/yr
Special Areas manager	GMU's 6, 8, 9, & 14-16	Annual	65.0*
Increase caribou S&I and harvest assessments; revise management plans	GMU's 19, 20, & 21	Annual	15.0

<u>Project</u>	<u>Location</u>	<u>Schedule</u>	<u>Estimated Costs (X 1000)</u>
Research on grizzly bear population dynamics	GMU 22	3 years	15.0/yr
Expand muskoxen S&I	GMU's 18, 23, & 26	Annual	28.0
Tule white-fronted goose nesting and production surveys	GMU's 9, 16, 17, 19, & 21	3 years	35.0/yr
Maintain citizen participation in predator/prey management planning	Statewide	Annual	15.0
Conduct bison summer range habitat evaluation	GMU's 11, 19, & 20	Annual	8.0
Increase interaction with advisory committees	Statewide	Annual	45.0
Reinstate full-time asst. area biologists in Palmer and King Salmon	GMU's 9, 10, 14, & 16	Annual	60.0
Upgrade quality and expand content of regulation booklets	Statewide	Annual	18.0
Expand development of operational management plans	Statewide	Annual	25.0
Publish annual report of division activities to better inform public of division programs	Statewide	Annual	12.0
Expand hunter education program via TV network: curriculum and instructor training videos	Statewide	Annual	65.0 1st year; 5.0/yr
Determine economic value of Alaska's wildlife	Statewide	4 years	125.0/yr
Upgrade wildlife information data base	Statewide	4 years	20.0/yr

* Requires new positions.

Taken from "The Need to Increase Revenues for Wildlife Management and Conservation in Alaska"; ADF&G, Division of Game, December 1987.

WHAT WOULD INCREASED REVENUES BE USED FOR?

The proposed increases in license and tag fees for hunting in Alaska would affect both resident and nonresident hunters. Most of the funds would be used to restore or enhance game management and research projects that were eliminated or severely reduced as a result of losing nearly 1.5 million dollars in General Funds since FY86. Some game management programs that would receive additional funding include:

- ° moose survey and inventory work statewide and population censuses in heavily hunted areas and in selected locations where populations may be experiencing problems;
- ° caribou survey and inventory work statewide and more frequent population censuses of major herds;
- ° research and development of improved, more cost-effective and accurate big game and furbearer survey techniques;
- ° wolf, wolverine, marten, and lynx surveys and monitoring population trends;
- ° providing biological information to the public, local advisory committees, and the Board of Game for the state's regulatory process;
- ° Dall sheep and mountain goat surveys;
- ° moose habitat carrying capacity studies and modeling;
- ° reestablish moose habitat enhancement projects in portions of southcentral and interior Alaska;
- ° more field presence by staff and additional law enforcement activities;
- ° compilation, detailed analysis, and computerization of historic information on big game populations;
- ° technical assistance to land management agencies for use in making decisions affecting wildlife populations, habitats, and public use opportunities;
- ° wildlife information and education projects and the statewide hunter education program;
- ° additional emphasis on management planning; and

(OVER)

- more educational efforts to inform the public about the benefits of professional wildlife management and the ecological basis for regulated harvests.

It is important to recognize that many of these essential wildlife management programs would not receive additional funding, even if hunting license and tag fees were increased, unless the General Fund appropriations to the Division of Game remained near the current level.

PUBLIC OPINION MESSAGE

DEAR: REPRESENTATIVE DAVIDSON

NAME: DENNIS CONFER
 TITLE:
 ADDRESS: 2509 KILKENNY CIRCLE
 CITY: ANCHORAGE ZIP: 99504
 PHONE: 338-3099
 BILL NO: HB 124
 SUBJECT: INCREASE SPORT FISHING/HUNTING LIC. FEES
 MESSAGE: BILL SEE'S REALISTIC BUT, COMBINED WITH SB 140 - BIG GAME CONSERVATION
 FEES AND COMMERCIAL USE FEES, COSTS INCREASE FOR NON-RESIDENTS DETER TOURISM,
 HUNTING. OVERALL RESULTS: LESS REVENUE TO STATE AND BUSINESSES. MOOSE FEES
 INCREASE OVER 60 PERCENT, HIGHEST FEES IN U.S. AND CANADA.

PMID: 03103812
 DATE: 02/23/89
 TIME: 10:38:12
 LIONAME: ANCHORAGE LIO

COPIES: REPRESENTATIVES REPRESENTATIVES SENATORS

BARNES	BOUCHER	COGHILL
BROWN	COLLINS	SZYMANSKI
COTTEN	DONLEY	UEHLING
ELLIS	FURNACE	FAIKS
GRUENBERG	HANLEY	PEARCE
LEMAN	MARTIN	POURCHOT
PETTYJOHN	PHILLIPS	KELLY
ZAWACKI	BOYER	KERTTULA
SPOHNHOLZ	MENARD	RODEY
JACKO	FOSTER	STURGULEWSKI
NAVARRE	SHARP	HALFORD
HUDSON	DAVIS, M.	FAHRENKAMP

PUBLIC OPINION MESSAGE

DEAR: REPRESENTATIVE DAVIDSON

NAME: DON QUARBERG
 TITLE:
 ADDRESS: P.O. BOX 349
 CITY: DELTA JUNCTION, AK ZIP: 99737
 PHONE: 895-4215
 BILL NO: HB 124
 SUBJECT: INCREASE SPORT FISHING/HUNTING LIC. FEES
 MESSAGE: THIS BILL DOES NOT JUSTIFY THE COST INCREASE THAT SPORTSMEN MUST BE
 REJECT THIS BILL AND SUPPORT THE REPEAL OF THE MUCH ABUSED 25¢ LICENSE. THANK
 YOU.

PMID: 02122603
 DATE: 03/01/89
 TIME: 12:26:03
 LIONAME: DELTA JUNCTION LIO

COPIES: REPRESENTATIVES SENATOR

SHULTZ	COGHILL
MENARD	
JACKO	
FOSTER	
NAVARRE	
FURNACE	
SHARP	
HUDSON	
DAVIS, M.	

STEVE COWPER
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

22
4B124

January 27, 1989

The Honorable Sam Cotten
Speaker of the House
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Mr. Speaker:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to sport fishing and hunting licenses. This bill would raise the cost of a resident sport fishing license by \$5. Making a new distinction, the cost of a resident hunting license would be raised \$3 for small game, and \$13 for big game. The combination hunting and trapping license fee would be raised by \$13. The cost of two other combination licenses covering both sport fishing and hunting would be raised by \$18.

The bill would also raise nonresident sport fishing and hunting license fees by amounts ranging from \$5 to \$39, establish a new nonresident small game hunting license and raise nonresident tag fees on 13 species of big game. Finally, the bill would establish new nonresident alien hunting licenses, with a fee of \$300, and establish nonresident alien big game tags for 14 species, at rates higher than the nonresident tag fees.

These increases would generate additional revenue to help offset the escalating costs of managing the State's fish and wildlife resources, and would provide for expansion of some existing programs. Present technology still requires labor-intensive activities to acquire the necessary data for proper, effective management, and operational costs of the Department of Fish and Game (ADF&G) are expected to rise in order to meet those demands.

Money received from the sale of state sport fishing and hunting licenses is deposited in the Fish and Game Fund, which was created at statehood and is described in AS 16.-05.100 and 16.05.110. As a dedicated fund, it is addressed

by the Alaska Constitution in art. IX, sec. 7:

The proceeds of any state tax or license shall not be dedicated to any special purpose, except as provided in section 15 of this article [the Permanent Fund] or when required by the federal government for state participation in federal programs. This provision shall not prohibit the continuance of any dedication for special purposes existing upon the date of ratification of this section by the people of Alaska.

(Emphasis added.) The Fish and Game Fund was created after the date of ratification of art. IX, sec. 7 of the Alaska Constitution. However, it is protected under the federal-government-requirement exemption. A federal regulation, 50 C.F.R. 80.2, adopted under the Pittman-Robertson Act, 16 U.S.C. 669 -- 777k, prohibits "diversion" of fees collected from the sale of fishing and hunting licenses to purposes other than administering the State's fish and wildlife agency. This is a precondition to participation in federal fish and game grant programs. Since the federal law provides matching money for revenue from the sale of fishing and hunting licenses, and does not specify the cost of those licenses, no problem of inconsistency with the federal requirement and thus no problem with the constitutional provision on dedicated funds will be encountered if these license fees are raised. The fees for both types of resident licenses have been increased only once since statehood. In 1977, sport fishing license fees were increased from \$5 to \$10 and hunting license fees were increased from \$7 to \$12.

P.L. 98-369, July 18, 1984, expanded the Dingell-Johnson Act to make additional federal matching money available to the State. Some of this money will be earmarked for motor boating and support facilities, and additional State matching money will be required to optimize use of this three-for-one money for capital projects.

With respect to the proposed new license and tag fees for nonresident aliens, the significantly higher fees can be justified because United States citizens, as a class, bear a greater proportion of the costs of fish and game management through payment of federal taxes (including Pittman-Robertson matching grants) than do nonresident aliens, who for the most part do not make the same tax contributions. In addition, enforcement actions against nonresident alien hunters cost significantly more than enforcement actions against residents of the United States outside of Alaska.

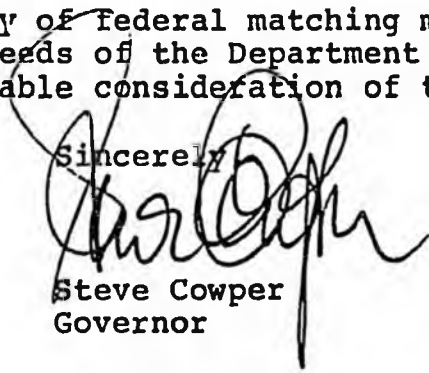
The Department of Law has advised that under the reasoning of Baldwin v. Fish and Game Comm., 436 U.S. 371 (1978), such fee differentials would be unlikely to pose equal protection problems under the Fourteenth Amendment to the United States Constitution, because the nonresident aliens are differently situated with respect to bearing both management and enforcement costs than are United States residents.

The higher fees for nonresident aliens will bring Alaska closer to other big game hunting areas of the world, which regularly charge much higher fees for individuals not resident in those countries. The proposed fees for nonresident aliens set out in this bill would thus still maintain Alaska's competitive edge, by being significantly less than fees charged by other countries to hunt similar species.

The bill has a delayed effective date of January 1, 1990, because hunting and fishing licenses are issued on a calendar-year basis.

In light of the availability of federal matching money, and the increasing management needs of the Department of Fish and Game, I urge your favorable consideration of this bill.

Sincerely,



Steve Cowper
Governor

THE NEED TO INCREASE REVENUES
FOR WILDLIFE MANAGEMENT AND CONSERVATION
IN ALASKA

Alaska Department of Fish and Game
Division of Game

December 1987

INTRODUCTION

The significant drop in world-wide oil prices in 1985 and 1986 resulted in major reductions in oil revenues to the State of Alaska. State government, like the private sector, experienced substantial declines in revenues which led to cutbacks in most departments' programs and personnel lay-offs. The Division of Game, Alaska Department of Fish and Game, had already initiated many "belt-tightening" measures, but the substantial drop in state revenues accelerated even more drastic cost-saving actions. Some positive aspects were associated with the initial drop in revenues--increased program efficiencies, more detailed examination of program priorities and staffing needs, and greater awareness by employees of the need to implement all available cost-saving measures. Further budget reductions have resulted, however, in the transition of what was a minimally acceptable wildlife management program, to one that is presently inadequate.

Additional income to the Fish and Game Fund and other revenue increases are essential if Alaska's valuable wildlife resources are to continue to prosper and provide substantial benefits to Alaska's citizens and the state's economy. Inflation has eroded the value of money and costs have increased dramatically. It is entirely reasonable that the costs of wildlife management should be borne to some degree by all users. It is also reasonable that those who make the most use of public resources should pay the most for that use--while still being sensitive to the ability of users to pay. The system should be equitable for all users. Although an increase in license and tag fees will provide some financial relief, other revenue enhancement measures will be necessary in the future if sound management of Alaska's wildlife resources is to continue.

If you have any questions or comments on the enclosed information, or would like to discuss various points in more detail, please contact any of the following Division of Game staff:

Lew Pamplin, Director, Anchorage (ph. 267-2231);
Don McKnight, Acting Deputy Director, Juneau (ph. 465-4190);
Dave Anderson, Regional Supervisor, Douglas (ph. 465-4265);
Dan Timm, Regional Supervisor, Anchorage (ph. 267-2193);
Dick Bishop, Regional Supervisor, Fairbanks (ph. 456-5156);
John Coady, Regional Supervisor, Nome (ph. 443-2271); or,
your local area game biologist.

Thank you for your interest and your support in this subject.

CORRECTION

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

THE NEED TO INCREASE REVENUES
FOR WILDLIFE MANAGEMENT AND CONSERVATION
IN ALASKA

Alaska Department of Fish and Game
Division of Game

December 1987

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INTRODUCTION

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your local area game biologist.

Thank you for your interest and your support in this subject.

WILDLIFE RESOURCES AND VALUES

Alaska's wildlife is a legacy of immeasurable value and an attraction to both residents and nonresidents of the state which is exceeded nowhere in the world. The essence of Alaska to most Alaskans is its wild resources, and the image of Alaska to most visitors is its wildlife, spectacular scenery, and undisturbed wildlife habitat. The interrelated economic, cultural, aesthetic, and recreational benefits derived from wildlife by Alaskans are enormous. Vast economic gains result from both consumptive and nonconsumptive uses of wildlife in the state. Hunting and trapping activities generate millions of dollars annually by: the purchase of hunting and camping equipment, vehicles, and equipment maintenance; the contracting of guides and outfitters; the sale of furs; and expenditures for lodges/hotels, restaurants, and transportation services.

Calculating the present and future values of Alaska's wildlife is extremely difficult. Although we can determine how much a nonresident pays on the average to successfully hunt brown bears on the Alaska Peninsula (over \$10,000), we cannot easily determine the "value" of watching 50 bears at McNeil River falls, hearing a howling wolf pack, waiting for the first geese to arrive at Creamer's Field, watching a loon family on one of Anchorage's lakes, seeing 75 bald eagles in one tree in the Chilkat River Valley, or watching thousands of Arctic caribou from a hilltop.

Various studies indicate that the opportunity to view wildlife is of principal importance to tourists in deciding to visit the state. According to the 8th edition of the Alaska Blue Book, about 787,000 people visited Alaska in 1986, spending an estimated 727 million dollars which remained in Alaska. Nonresident visitor travel is responsible for nearly 11,000 jobs for Alaskans, and tourism is considered the third largest private sector industry in Alaska.

While it is impossible to determine the total economic value and personal benefits derived from harvesting game, the sheer number of animals harvested annually is indicative of the great importance of these resources to most Alaskans. During the past three regulatory years (1984/85-1986/87), the reported or minimum estimated hunter/trapper average annual harvests have been: beaver--over 12,300; bison--75; black bear--over 2,000; brown bear--1,100; caribou--over 15,000; Dall sheep--1,100; deer--over 20,000; elk--215; lynx--nearly 1,500; moose--7,200; mountain goat--over 500; muskox--100; land otter--nearly 1,800; waterfowl--over 107,000; wolf--825; and wolverine--600. Although total numbers are unavailable, many thousands of grouse, ptarmigan, hares, and other furbearers are taken annually.

Only "snapshots" of the values of Alaskan wildlife are currently available. Some of these include:

- ° sheep hunters spend over \$5.9 million annually; each resident and nonresident hunter spends approximately \$1,500 and \$9,800, respectively;
- ° in southeast Alaska, hunters in 1985 spent \$4.4 million for deer, \$800,000 for moose, and \$678,000 for goat hunting;
- ° the value of unprocessed furs (raw pelts) has recently been about \$5 million annually;
- ° a conservative estimate of the dollars needed to commercially replace the meat from harvested game is over \$40 million annually;
- ° fees paid to hunting guides have been recently estimated to exceed \$16 million annually, and the big game guiding industry contributes an estimated \$20.5 million annually to the state's economy;
- ° about 787,000 visitors in 1986, spending approximately 727 million dollars in Alaska, rated wildlife as one of their primary reasons for visiting our state; wildlife watching was the single most popular activity enjoyed by these visitors.

Aside from economic values, wildlife is integral to the culture, aesthetic enjoyment, and the quality of life for nearly every Alaskan. Whether we are hunters, trappers, viewers, and/or concerned citizens who derive satisfaction from just knowing that wild living resources exist in abundance, wildlife is of great personal importance to our lives. How many of us who grew up elsewhere would have made Alaska our home or would remain in Alaska if wildlife were no longer a predominant feature of the state? Probably few.

WHAT IS THE PROBLEM?

The Division of Game is facing a serious financial problem in meeting its responsibility to manage Alaska's wildlife. Essential programs, ranging from collecting and analyzing information necessary to maintain populations, to providing services necessary for the public to fully enjoy and utilize wildlife, have been sharply curtailed by budget reductions. During the past two years, the Division of Game has experienced more than a 13 percent reduction in total funds, a 16 percent reduction in staff, the conversion of numerous full-time biologist positions to part-time status, and the closure of two area offices. For details on the division's funding and personnel resources, see APPENDIX A--Funding and Budget Details

and APPENDIX B--Division Staffing, Qualifications, and Office Locations.

Financial difficulties for the division have been developing for years. The division began its duties at statehood with a small budget and staff relative to Alaska's geographic size and diversity of wildlife and wildlife habitats. This situation was generally acceptable because of the relatively low use of wildlife resources. Alaska's human population was small and the state was not experiencing extensive development of its other resources.

Recent budget reductions have occurred when the need for biological information and the responsibilities of the division have increased dramatically. The state's human population has more than doubled since statehood. The impact on wildlife resources has been far greater. Nearly every area and wildlife population in Alaska is now readily accessible because of new roads and the increased use of aircraft, snowmachines, off-road vehicles, and boats. Changes in land status and ownership have reduced opportunities for using wildlife in many parts of the state while concentrating and increasing demand in other areas. The need for an expanded and diversified economy has resulted in new development projects which are sometimes in conflict with wildlife. In order for the state to encourage new development while, at the same time, ensuring that wildlife resources are sustained, comprehensive biological information is required. If Alaska is to "do it right," the department must be able to collect the information needed to carefully and realistically advise how development can proceed while minimizing both costs to developers and adverse impacts to wildlife and Alaskan's use of these resources.

The basic costs of conducting business have been increasing steadily as they have for everyone. For example, much of the information on game populations in Alaska must be obtained from aerial surveys. Air charter rates have increased precipitously because of inflation and increased insurance rates charged to operators. For example, in 1975 a supercub could be chartered for \$55/hour; the same aircraft now costs \$135/hour. Travel costs for personnel, like travel costs for all citizens, have also increased significantly, as have printing costs for regulations, personnel costs (over which the division has no control), and a multitude of other costs for collecting essential biological data and providing services to the public.

The Division of Game has been funded historically by hunting and trapping license revenues (Fish and Game Funds) and federal excise taxes on firearms and ammunition (Pittman-Robertson Funds). Since 1979, the Alaska Legislature has appropriated varying amounts of General Funds for use in divisional programs. General Funds have been used to finance specific programs for non-hunted wildlife, for managing areas closed to hunting such as the McNeil River and Walrus Island State Game Sanctuaries, and to help conduct other game management programs. From fiscal year

to help conduct other game management programs. From fiscal year (FY) 86 to FY 88, General Funds allocated to the division have decreased nearly 50 percent. Over the last five years, Pittman-Robertson Funds have been declining and Fish and Game Funds have generally stabilized. Budget declines have been accompanied by equally severe increases in costs. The net result has been an erosion of programs necessary for effective wildlife management in every area of the state.

Although the spectrum of wildlife management programs conducted by the Division of Game (see APPENDIX C--Division Programs and Activities) has been sharply diminished by budget reductions and rising costs in recent years, there is reason to look upon wildlife's future with optimism. Wildlife is owned by the public and its values are great. We believe that most Alaskans are willing to make a greater financial commitment to ensure professional management and conservation of wildlife resources for themselves and future generations.

WHAT WILL HAPPEN WITHOUT INCREASED REVENUES?

The division is presently only "treading water" in terms of maintaining basic biological data gathering functions (e.g., big game surveys and inventories) and public service activities (e.g., support to advisory committees, public contacts, technical assistance). Without increased revenues the division will, in just a few short years, transition from a manager to a "caretaker" of Alaska's wildlife resources. Public interactions and assistance will diminish significantly, some additional area offices will be closed and consolidated into regional centers, and the number and type of special permit hunts (e.g., registration and drawing hunts) will be reduced or modified. Hunting opportunities will not change immediately, but many existing opportunities will gradually diminish because the biological information necessary to allow harvest of some big game populations will not be available. The department and the Board of Game will be forced into more conservative management strategies for some big game populations.

Assuming a more likely scenario that some revenues will continue to decline (e.g., Pittman Robertson Funds) and there is no increase in other revenue sources, other changes will be more dramatic and long-term ramifications more severe. These include:

- ° curtailment of research efforts to improve biological investigation techniques and to acquire a better understanding of wildlife population dynamics and the ecological factors affecting populations in different areas;
- ° decreased staff assistance and data input to other agencies making land-use decisions which affect wildlife populations, habitats, and public use opportunities;

- reduced data collection and analysis of big game population data by division staff resulting in more conservative recommendations to the Board of Game and further restrictions in many game seasons and bag limits, including closures when the status of populations is unknown;
- greater chance of unexpected changes in regulations (e.g., emergency closures) that would adversely affect users;
- further reduction or elimination of the more costly registration permit hunts which provide limited public use;
- no game transplants, habitat improvement projects, or other wildlife enhancement activities;
- greater opportunities for poaching because of reduced staff and field presence;
- major reductions in wildlife information and education programs, technical assistance to the public and other agencies, and staff interaction with the local public, particularly in rural areas; and
- elimination of public use programs in some state managed areas.

In essence, there would be an overall loss in public use opportunities for wildlife-related activities such as hunting, trapping, and viewing in special areas. The quality of life of all Alaskans would diminish as opportunities and benefits derived from professional wildlife management decrease.

PROPOSED INCREASES TO HUNTING LICENSES AND TAG FEES

The department has been considering various options for increasing revenues to fund game management programs. Many alternatives have been evaluated, some have been initiated or are in the process of implementation, and others are still under consideration (see APPENDIX D--Additional Options for Increasing Revenues). A combination of options to increase long-term revenues is the best approach for ensuring sound management of Alaska's wildlife resources in the future. No single option is likely to satisfy both revenue requirements and the desire to distribute costs equitably among wildlife users (see APPENDIX E--Related Issues).

Legislation has been introduced (Senate Bill No. 129) which would increase the cost of resident hunting and sport fishing licenses. The department supports this bill and has recommended amendments which would increase the cost of nonresident hunting and fishing licenses, increase nonresident tag fees for big game, and expand the number of species which require resident big game tag fees.

License fees vary widely in other states. Many states are currently considering increases in their license and tag fee structures. A major difference in the license fee structure between Alaska and elsewhere is that all other states require additional tags or other fees to hunt deer, antelope, moose, sheep, goat, elk, turkey, and upland birds. A deer tag, for example, ranges from \$4 in Oregon to \$30 in Kansas. Besides Alaska, only 13 other states do not charge additional fees to hunt deer. However, in some of those states, individual counties assess added costs. A tag to hunt black bears ranges from no charge in a few states to \$4 in West Virginia, \$15 in Washington, and \$25 in Colorado and Utah. For a resident in 11 western states to hunt small game and only two species of big game (deer and black bear), the average cost is \$34. This entitles the hunter to take one deer and one black bear.

In Alaska, a \$12 hunting license entitles a resident to hunt for up to six deer, up to three black bears, one moose, one bison, one elk, up to two mountain goats, one Dall sheep, one muskox, numerous caribou, and several to unlimited numbers of coyotes, foxes, lynx, wolves, wolverine, grouse, hare, and ptarmigan. A grizzly bear tag costs an additional \$25, and state and federal waterfowl stamps cost \$5 and \$10, respectively. When big game hunters are limited in number in some areas, drawing permit application fees are \$5 each. In consideration of the variety, number of animals which can be taken, and uniqueness of Alaska's game resources, Alaskan hunters are paying substantially less to hunt than residents of other states.

Increase Resident Hunting License from \$12 to \$20

Resident license fees have not been increased since 1977. Senate Bill (SB) 129 would increase resident hunting licenses from \$12 to \$20. This would generate additional revenues of approximately \$560,000 annually to the Fish and Game Fund.

Increase Nonresident License and Tag Fees

The department's proposed amendments to SB 129 would do the following:

- A. Increase the nonresident general hunting license fees from \$60 to \$85. Estimated increased annual revenues are \$138,000.
- B. Establish a nonresident small game hunting license for \$20. The intent is to provide opportunities to some nonresidents who would not normally hunt while visiting Alaska. Nonresidents who hunt only small game would not be required to purchase the more expensive general license. Estimated increased annual revenues are \$13,000.
- C. Increase nonresident tag fees for big game as follows:

<u>Species</u>	<u>From</u>	<u>To</u>
Black Bear	\$ 200	\$ 250
Brown/Grizzly Bear	350	500
Bison	350	500
Caribou	300	350
Dall Sheep	400	450
Deer	135	150
Elk	250	300
Moose	300	400
Mountain Goat	250	300
Muskoxen	1,100	no change
Wolf	150	450
Wolverine	150	450

Estimated increased annual revenues are \$460,000.

Estimated increased annual revenues from A, B, and C above are \$611,000.

Expand Resident Big Game Tags

Currently, residents must have a big game tag to hunt muskox and brown/grizzly bear in most game management units. Additional amendments to SB 129 would expand the tag fee structure whereby a tag would be required for residents to hunt most big game species, but would not be required for each animal taken in a multiple bag limit. For example, a resident hunter would pay a tag fee to hunt deer on Kodiak Island, but could harvest the legal bag limit (up to 5 deer). Resident tag fees could be established as follows:

<u>Species</u>	<u>Tag Fee</u>
Black Bear	\$10
Brown/Grizzly Bear	no change
Bison	40
Caribou	10
Dall Sheep	25
Deer	10
Elk	15
Moose	10
Mountain Goat	10
Muskoxen	no change
Wolf	-0-
Wolverine	-0-

Estimated annual increased revenues are \$900,000.

Passage of SB 129 with the amendments proposed by the department would generate approximately \$2.0 million in increased annual revenues to the Fish and Game Fund.

WHAT WOULD INCREASED REVENUES BE USED FOR?

The proposed increases in license and tag fees for hunting in Alaska would affect both resident and nonresident hunters. Most of the funds would be used to restore or enhance game management and research projects that were eliminated or severely reduced as a result of losing nearly 1.5 million dollars in General Funds since FY 86. Some game management programs that would receive additional funding include:

- ° moose survey and inventory work statewide and population censuses in heavily hunted areas and in selected locations where populations may be experiencing problems;
- ° caribou survey and inventory work statewide and more frequent population censuses of major herds;
- ° research and development of improved, more cost-effective and accurate big game and furbearer survey techniques;
- ° wolf, wolverine, marten, and lynx surveys and monitoring population trends;
- ° providing biological information to the public, local advisory committees, and the Board of Game for the state's regulatory process;
- ° Dall sheep and mountain goat surveys;
- ° moose habitat carrying capacity studies and modeling;
- ° reestablish moose habitat enhancement projects in portions of southcentral and interior Alaska;
- ° more field presence by staff and additional law enforcement activities;
- ° compilation, detailed analysis, and computerization of historic information on big game populations;
- ° technical assistance to land management agencies for use in making decisions affecting wildlife populations, habitats, and public use opportunities;
- ° wildlife information and education projects and the statewide hunter education program;
- ° additional emphasis on management planning; and

- ° more educational efforts to inform the public about the benefits of professional wildlife management and the ecological basis for regulated harvests.

It is important to recognize that many of these essential wildlife management programs would not receive additional funding, even if hunting license and tag fees were increased, unless the General Fund appropriations to the Division of Game remained near the current level.

APPENDIX A

Funding and Budget Details

Since statehood, Division of Game operations have been funded primarily from two sources: (1) Pittman-Robertson (P-R) Funds (federal dollars); and (2) the Fish and Game Fund. The P-R Funds, derived from an 11 percent excise tax on firearms, ammunition, and archery equipment, are collected by the U.S. Department of Treasury and are apportioned annually to individual states by the U.S. Fish and Wildlife Service on the basis of each state's size and number of licensed hunters. Alaska, because of its size, receives the maximum apportionment (4 percent of the fund). States match P-R monies on a 1 state dollar to 3 federal dollar basis.

To receive P-R money, a state must have adopted laws which require that all hunting and sport fishing license revenues be used exclusively for the "protection, propagation, investigation, and restoration" of sport fish and wildlife resources. These statutes thereby established a Fish and Game Fund which is comprised of license and tag revenues, permit application fees, duck stamp revenues, and monies from the sale of hides. Fish and Game Fund dollars are used to match federal aid dollars and to support programs which are not eligible for funding under the P-R Act (law enforcement, animal control, establishing and publishing regulations, public inquiries, and information programs).

Since 1979, the state Legislature has appropriated varying amounts of monies from the state's General Fund to the Division of Game. These monies have been used to fund the division's nongame program, habitat enhancement, predator control, visitor programs at the McNeil River and Walrus Island State Game Sanctuaries, law enforcement and public service activities, and to supplement funding for various other projects.

Because of reduced budgets, the division has recently established four program receipt accounts which accrue funds for specific activities. Users of the Rabbit Creek Rifle Range in Anchorage and the McNeil River State Game Sanctuary are required to pay fees which help to fund these programs; Delta Bison Range maintenance is partially funded through an additional \$5 application fee for Delta bison permits; and the division sells hides and skins of animals taken in defense of life and property, donated, or acquired through other sources.

The division has a special projects budget component funded entirely from outside sources of monies such as federal agencies and the private sector. Most marine mammals research conducted by the division, for example, is funded by the federal agencies responsible for those resources. Because the amount of special projects funding is highly variable from year to year and is directed to specific projects, the division cannot (and should

not) depend on these funds to maintain full-time staff working on routine game management projects.

The other element of funding for the Division of Game is Capital Improvement Projects (CIP). Past CIP funds have been used for such projects as: construction of the Potter Marsh boardwalk; upgrading facilities at McNeil River and the Rabbit Creek Rifle Range; wildlife enhancement work on the Delta Bison Range; moose habitat enhancement; and land acquisition and survey work on state game refuges. The division presently has only one CIP, waterfowl enhancement, which is funded with the proceeds from the sale of duck stamp prints. This CIP funds one permanent seasonal employee who is responsible for the state's waterfowl enhancement program.

During recent budgetary years (FY 80-FY 88), P-R money, the Fish and Game Fund, and General Funds have comprised an average of 45 percent, 37 percent, and 18 percent of the division's total operating budget, respectively. General Funds comprised a small percentage in the early 1980s, a larger portion in the mid 1980s, and a steadily declining percentage since FY 86 (Table 1). Revenues from the federal P-R program have declined since 1983, despite increasing inflationary costs of firearms, ammunition, and archery equipment. Manufacturers believe that future sales will continue to gradually decline. Unless additional items of outdoor equipment are taxed for this purpose or the 11 percent excise tax rate is increased, the long-term prognosis for P-R funding is not good.

Revenues from hunting licenses and tags are also expected to decline in the foreseeable future unless the price of licenses and tags is increased. General resident license sales peaked in 1984 and subsequently declined (Figure 1). Nonresident license sales generally increased from 1977 to 1984 and then stabilized or slightly declined (Figure 2). Only low income 25¢ license sales increased, but these cost the state over \$1 each to process (Figure 3). From 1976 through 1986, resident, nonresident, and 25¢ resident low-income license sales increased 22 percent, 17 percent, and 202 percent, respectively (Figure 4).

ALASKA DEPARTMENT OF FISH AND GAME
DIVISION OF GAME

Table 1. Operating Budget--Funding Sources FY80 - FY88 (in thousands of dollars).

	FY80	FY81	FY82	FY83	FY84	FY85	FY86	FY87	FY88
Federal Funds	3,080.1	4,032.4	4,174.2	5,139.3	5,159.4	3,731.8	4,300.0	3,750.0	4,200.0
General Funds	192.6	420.9	1,264.1	2,067.7	2,314.3	2,612.9	3,069.8	1,934.8	1,526.1
Fish and Game Funds	2,243.4	2,641.7	3,096.0	2,998.3	2,955.3	4,468.2	3,900.0	4,450.0	4,000.0
*Total Operating Budget	5,516.1	7,095.0	8,534.3	10,205.3	10,429.0	10,812.9	11,269.8	10,134.8	9,726.1

* Does not include program receipts for user fees (e.g., Rabbit Creek Rifle Range).

RESIDENT HUNTING LICENSE SALES

- 14 -

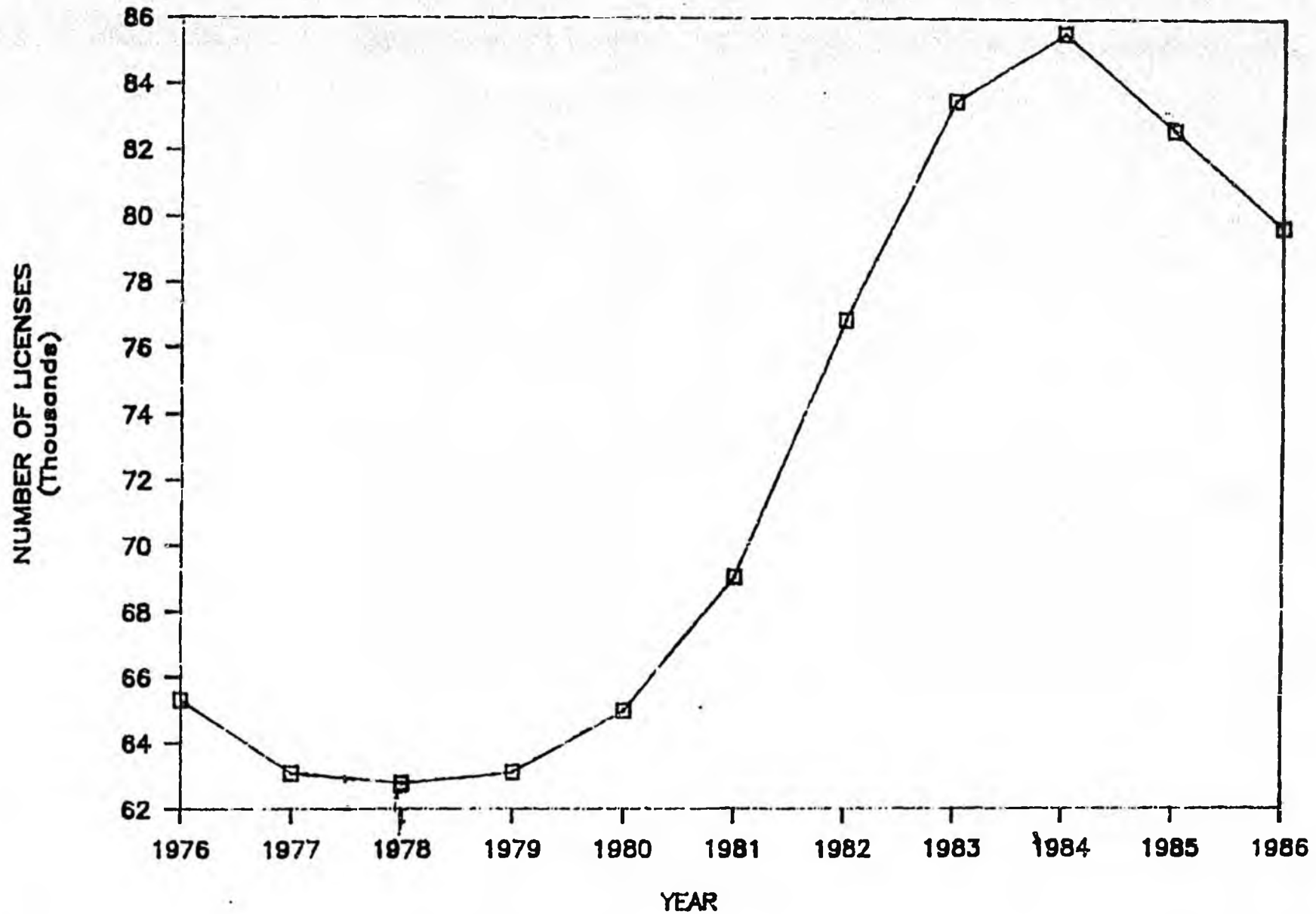


Figure 1.

NON-RESIDENT HUNTING LICENSE SALES

- 51 -

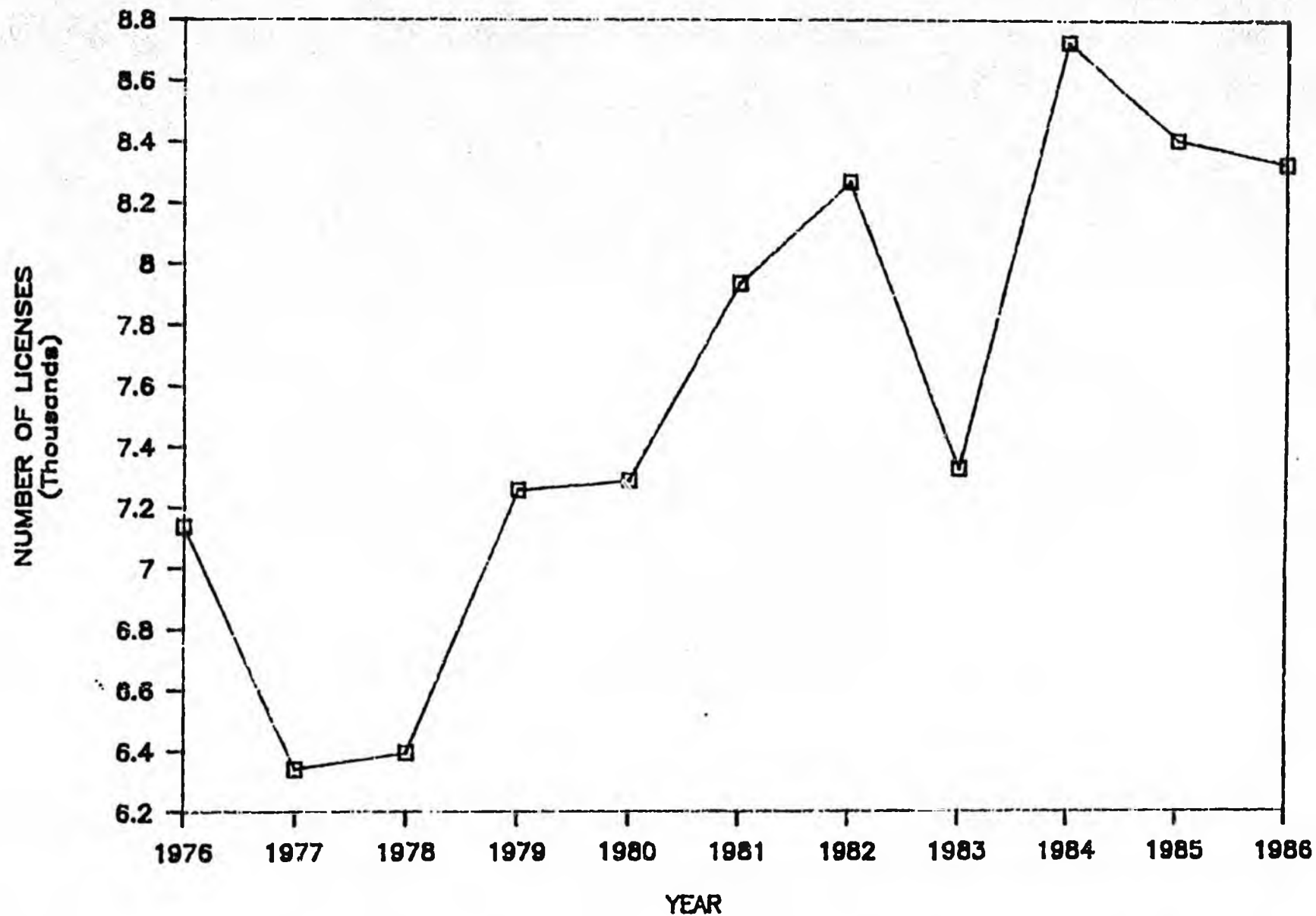


Figure 2.

\$0.25 HUNTING LICENSE SALES

- 91 -

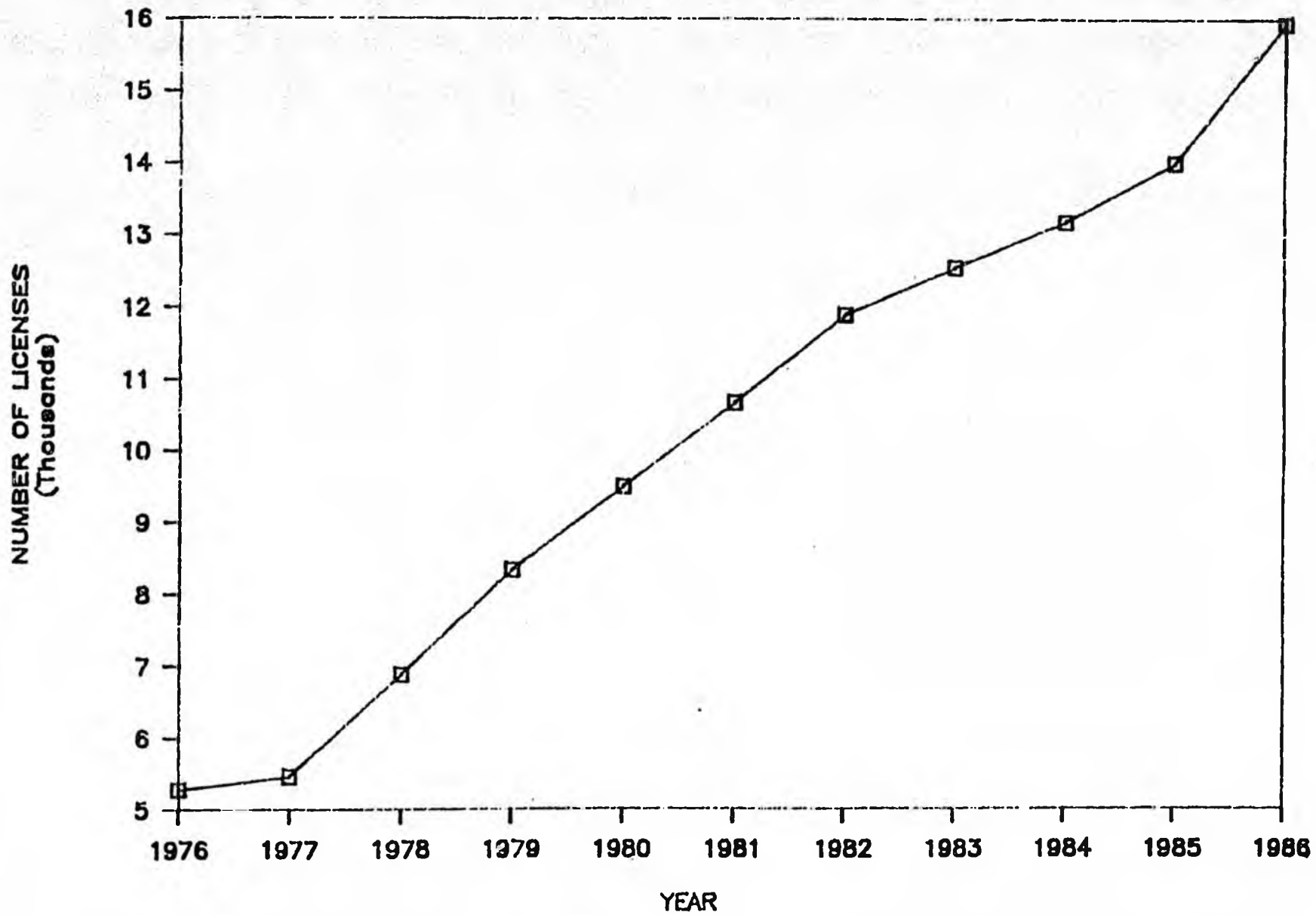
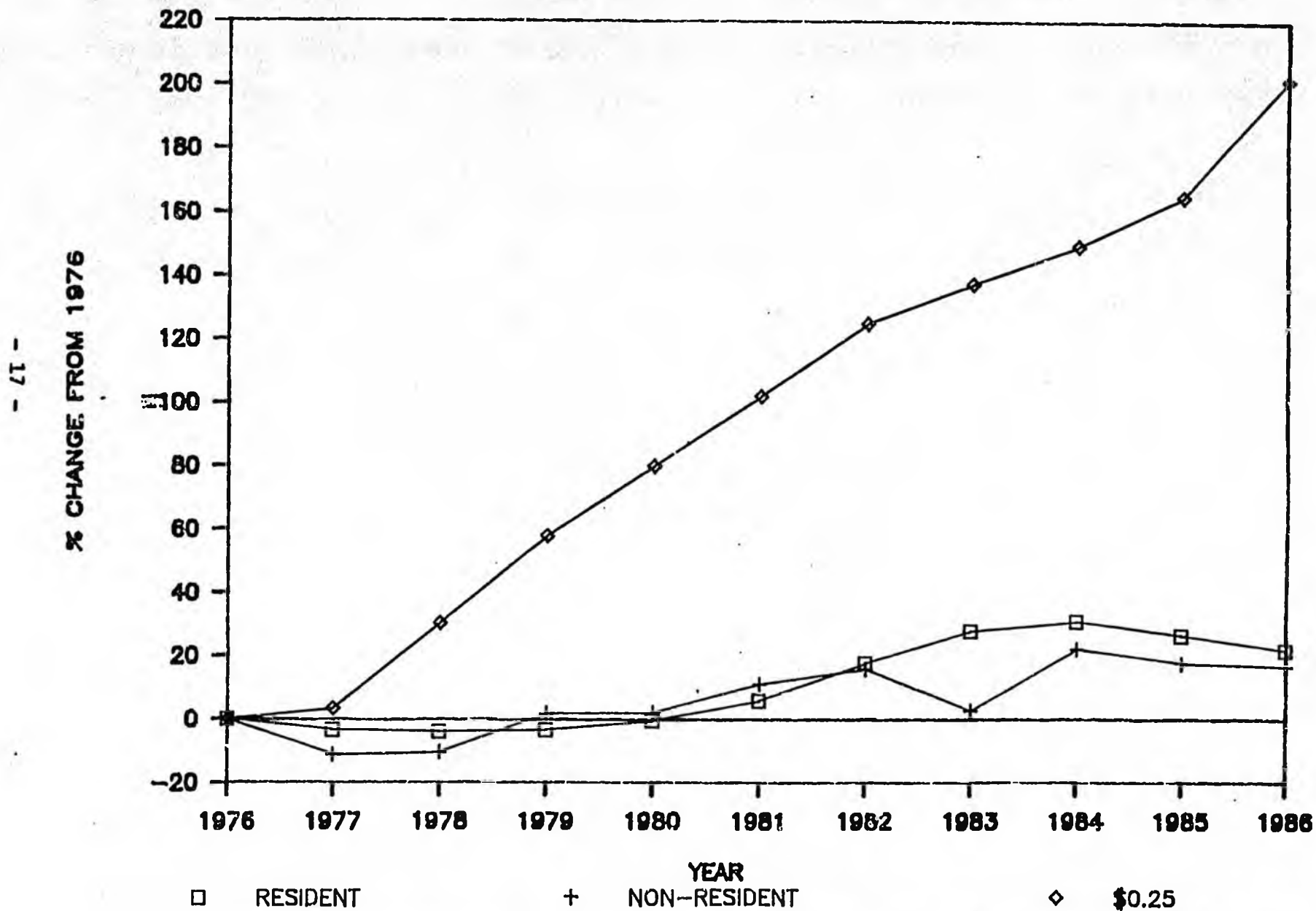


Figure 3.

% CHANGE IN HUNTING LICENSES BY TYPE



APPENDIX B

Division Staffing, Qualifications, and Office Locations

During the past 2 years, there was a 16 percent reduction in total positions and a 25 percent reduction in full-time positions. Several full-time positions were converted to seasonal or part-time. The number of positions in broad job classes for the last 3 years is shown below.

	FY86	FY87	FY88
Biologists	104	91	86
Technicians	35	26	25
Administrative and Clerical	42	40	39
Other Technical	13	12	12
TOTAL	194	169	162

Nearly 70 percent of the division's positions are biologists and technicians, about 24 percent have administrative (including supervisory functions) or clerical duties, and the remainder fulfill other technical functions such as computer programming, data entry, and statistical work.

Division of Game staff are recognized and respected world-wide for their expertise and professional capabilities as wildlife managers. All biologists have at least a B.S. degree in wildlife management or a closely related field, more than half also have an M.S. degree, 16 have a Ph.D degree, and two have Doctor of Veterinary Medicine degrees. Most of the technicians and technical staff have a B.S. degree and some also have master's and doctorate degrees. Experience with management of Alaskan wildlife averages over 10 years for staff biologists and nearly 14 years for the division's biological supervisory staff.

The Division of Game currently has staff in 24 communities across Alaska, located as follows:

Headquarters	--	Juneau
Regional Offices	--	Douglas, Anchorage, Fairbanks, Nome
Area Offices	--	Ketchikan, Petersburg, Sitka, Cordova, Soldotna, Homer, Palmer, Glennallen, Kodiak, King Salmon, Dillingham, Tok, Delta, McGrath, Fort Yukon, Galena, Bethel, Kotzebue, and Barrow.

In recent years, offices in Ambler, St. Marys, and Yakutat were closed, and management activities were consolidated into other offices. The most effective wildlife management and public service is attained by biologists living and working with people in many communities. However, the monetary cost of maintaining these offices is high, particularly in "bush" Alaska.

APPENDIX C

Division Programs and Activities

Alaskans sometimes ask "What do you do with the money from hunting licenses and drawing permit applications?" or "What are you really doing for wildlife and for us?" Most individuals recognize that the Division of Game provides hunting regulation books each year. Most people know that we answer questions and provide assistance to people desiring information concerning hunting and other wildlife-oriented activities, and that we help those with a moose in their yard, or bats in their attic. Many in Anchorage know that we administer the Rabbit Creek Rifle Range; in Fairbanks people go to Creamer's Field Refuge to watch the spring waterfowl migration; people contact us to visit the McNeil River bear sanctuary or Round Island to see walrus. We do all of these things, but we do many more.

Our overall statutory responsibilities are to manage, maintain, protect, improve, and extend Alaska's wildlife resources for beneficial uses by the public. In simple terms, we monitor the status of Alaska's wildlife populations so people can use and enjoy these natural resources. We also conduct research to learn, for example, more about habitat requirements, how to more efficiently and reliably monitor population status, how to determine the effects of various hunting and trapping regulations, and how to better protect or mitigate the loss of wildlife and their habitat. The information we collect is used by the Board of Game to develop hunting and trapping regulations to assure sustained yield of our wildlife while providing optimal opportunity for the public to enjoy these resources. The information we collect and analyze is also used by the general public, the Alaska Legislature and Congress, local advisory committees, guides, tourists, other agencies and wildlife biologists worldwide, environmental and sportsmen's groups, conservation organizations, and a host of others.

A few of our specific activities include:

- ° conducting aerial population trend counts and censuses of moose, caribou, sheep, goats, bears, furbearers, waterfowl, and other wildlife;
- ° conducting research projects to learn more about moose nutrition and the number of moose an area can support; to develop ways to accurately census moose, bears, wolves, lynx, and many other species; to determine why moose densities in some areas are low; to identify factors affecting growth of caribou herds and how developments within their range may affect the animals; to determine when, where, and why moose migrate and what habitats they prefer; to identify the effects of lead shot ingestion on Alaskan waterfowl; and to evaluate how current timber harvesting practices affect deer and other wildlife;

- conducting annual harvest monitoring of hunted and trapped wildlife using harvest tickets, permits, questionnaires, fur sealing certificates, and reports from the public;
- compiling, printing, and distributing hunting and trapping regulations;
- analyzing various data to formulate proposed hunting and trapping season changes and presenting changes and wildlife status information to local advisory committees, the Board of Game, and the general public;
- performing habitat enhancement in selective areas for moose, waterfowl, hares/lynx, and other species;
- conducting wildlife education programs and a hunter education program statewide;
- working with other agencies and private landowners to assure proper wildlife protection and optimum public use on lands throughout Alaska;
- answering tens of thousands of questions each year from the general public about Alaska's wildlife;
- helping people who have problems with wild animals and assisting wildlife in distress;
- developing measures to reduce moose/vehicle collisions on Alaska's highways and the railroad; and
- assisting the Division of Fish and Wildlife Protection in law enforcement activities.

As a state agency, the division must comply with certain purchasing, budgeting, expenditure accounting, and other administrative procedures. Staff time and funds must be obligated to program administration, planning, budgeting, and similar duties that are required and necessary to ensure an efficient and financially accountable operation.

APPENDIX D

Additional Options for Increasing Revenues

Summarized below is a listing of additional options being considered for increasing revenues and their status; other options may exist and will be evaluated over time. Where available, estimates of anticipated revenues have been included.

Option I: Establish a Resident Big Game Tag

Currently, residents must have a big game tag to hunt muskox and brown/grizzly bear in most game management units. The Alaska Legislature could expand the resident tag fee requirements to create a single big game tag for hunting all species except brown/grizzly bear and muskox. If this tag were to cost \$10, increased revenues would be \$700,000 to \$800,000 annually.

Status: Under departmental consideration; would require action by the Alaska Legislature.

Option II: Establish a Nonresident License for Foreigners

The Alaska Legislature could establish a nonresident license specifically for foreign citizens. A non-U.S. citizen, living in or outside of Alaska, would be required to purchase a special license to hunt in Alaska. On the average, about 400 foreigners hunt annually in Alaska. If a license for these hunters were to cost \$500, the annual increased revenues would be about \$200,000.

Status: Under departmental consideration; would require action by the Alaska Legislature.

Option III: Repeal Transferability of Nonresident Big Game Tags

Nonresidents are required to purchase tags to hunt all species of big game. However, a tag issued but not used for one species may be used to hunt another species for which the tag fee is of equal or less value. The Legislature could repeal this transferability provision and thereby increase revenues at least \$200,000 annually.

Status: Under departmental consideration; would require action by the Alaska Legislature.

Option IV: Eliminate or Change the Structure of the 25¢ License

The origin of the 25¢ license dates back to statehood when the Alaska Legislature adopted into state law portions of the Territorial Fish and Game Code. In subsequent years, there were several legislative amendments. The last change was in 1979 when the annual income requirement was changed from less than \$3,600 to \$5,600. Since 1979, to qualify for this license, a person must: (1) be an Alaska resident and not a member of U.S. armed

services stationed in Alaska on active duty; (2) be the head or dependent member of a family, or be solely dependent on oneself for support; and (3) be obtaining (or within the past 6 months have received) state or federal welfare assistance, or have a gross annual family income for the preceding year of less than \$5,600. From 1976 to 1986, the number of 25¢ license holders has increased over 200 percent to about 16,000 in 1986. It presently costs the state about \$1 to issue a 25¢ license to a qualified resident.

- A. Maintaining the current 25¢ license would continue to result in a net loss to the state of about \$12,000 per year.
- B. Eliminating the 25¢ license would save \$12,000 per year in administrative costs and provide unknown additional revenues to the Fish and Game Fund. Assuming 16,000 additional resident licenses were sold at \$20 each, increased revenues would be \$320,000 annually.
- C. Increasing the cost of a "low-income" license to \$5 would generate additional revenues of up to \$80,000 annually.
- D. In July 1987, the Western Association of Fish and Wildlife Agencies passed a resolution which recommends ". . . as a guideline that the cost of a special hunting and fishing licenses for select population groups be no less than one-half of the regular license fee . . ." If this guideline were adopted in Alaska and if the general resident license cost \$20, the "low-income license" would cost a minimum of \$10 and generate up to \$160,000 annually in additional revenues.

Status: Under consideration in the Alaska Legislature; passage of SB 75 would eliminate the 25¢ license.

Option V: Department Authority to Establish Fees for Other Public Use Opportunities and Services

Limited authority has been granted by the Alaska Legislature to the department to establish user fees for various activities. By creating "program receipts" accounts for specific programs, income generated from certain public service projects can be used to fund those programs. For example, the Rabbit Creek Rifle Range in Anchorage is currently operated by funds received from user fees charged for shooting at the range. In 1987, user fees were established for visiting the McNeil River State Game Sanctuary to view brown bears.

Status: Continue existing user fee programs and expand where possible (e.g., establish visitation fee for Walrus Island State Game Sanctuary).

Option VI: Establish Wildlife Trust Funds

It may be possible to establish wildlife trust funds for managing specific programs. Under this option, funds would be received from private donations and invested for long-term operation of selected programs such as McNeil River and Walrus Island Sanctuaries, nongame wildlife, and state game refuges.

Status: Under departmental consideration and legal review.

Option VII: Establish a Nongame Wildlife Fund

The Alaska Legislature could establish a "Nongame Wildlife Fund" for generating revenues to help cover costs of the division's nongame wildlife program. Revenues collected from various sources could be deposited into this fund for use in management of nongame species and increasing opportunities for nonconsumptive uses of Alaska's wildlife.

Sources of revenue for the Nongame Wildlife Fund might include: (1) collection of a lodging tax (e.g., 1 percent) from hotels, motels, lodges, cruise ships, and other facilities in the state for each bed, berth, or camping space occupied from June 1 through September 30 of each year; (2) establishment of a Permanent Fund Dividend "checkoff" (similar to the Olympics checkoff) or a refund checkoff on state income tax if reinstated in the future; and (3) increase tax (e.g., 5 percent) on vehicle registration and license plates. Revenues from these sources have not been projected.

Status: Under departmental consideration and legal review.

Option VIII: Liquidated Damages for Violations of Fish and Game Laws

Some states presently have a system, wherein a game law violator is assessed not only a fine for the act committed, but also assessed the "cost" or value of the animal(s) taken illegally. An economic value of one animal of each species is established by law, and this amount is automatically assessed the violator upon his conviction, in addition to the fine for the offense. For example, the "value" of a moose might be \$1,000; caribou, \$500; duck, \$25; etc. This assessment is specified in law, and would apply to major violations such as wanton waste, hunting out of season, exceeding bag limit, etc., but not for violations such as failure to carry a license, shooting from a road, or taking before or after legal shooting hours.

Status: The option would require specific legislative action addressing this new concept for Alaska and for allowing deposits of court fines into the Fish and Game Fund.

Option IX: Create a Wildlife Conservation Stamp (Tag)

A wildlife conservation stamp (tag) could be established for anyone desiring to contribute to wildlife management and conservation in Alaska. A wildlife conservation stamp (tag) would be voluntary and could be coupled with an annual art contest and print sales. Some states have tried this option on a voluntary basis with little overall success.

Status: Under departmental consideration; would require action by the Alaska Legislature.

Option X: Auction or Raffle High Demand Permits

The department currently issues permits for various hunts based on a lottery system in which each applicant is limited to one chance per hunt. In this system, the chance of an individual drawing a permit for a special hunt is not determined by the amount of money a person is willing to spend, since each applicant is charged the same application fee. The Board of Game recently changed this system to allow up to 3 applications per species but for different hunts.

Given specific legislative authority, a few permits could be issued based on the amount of money an applicant is willing to spend. This could be done by a raffle in which applicants could purchase as many chances as they desire, or by public auction in which the permits would be awarded to the highest bidders.

A state-run raffle or auction for selected permits could be administered in several ways: different opportunities could be designed for residents versus nonresidents; only a few permits from the most popular hunts could be designated (e.g., Tok sheep, Delta bison, Kodiak brown bear); and highly sought special permits for nonconsumptive use (e.g., McNeil River) could be included. Some states have implemented this option with considerable success.

Status: Under department consideration; would require action by the Alaska Legislature.

Option XI: Establish a Dedicated Fund for Fish and Game Management Based on Revenues to the State from Development of Nonrenewable Resources

One way of ensuring that the revenues generated by the development of nonrenewable resources will continue to benefit Alaskans indefinitely is to dedicate a portion of those monies to the perpetuation and development of renewable resources. Implementation of this option would require an amendment to the Alaska Constitution to allow establishment of a dedicated fund. Legislation to allocate a set percentage of the annual fund revenues to various divisions within the department would also be required.

Under this option, an established percentage of revenues received by the state from development of nonrenewable resources (like oil/gas, hardrock minerals) would be deposited annually in a dedicated fund for management of Alaska's fish and wildlife resources. The amount of revenues deposited into the fund each year would vary depending upon the production rates of nonrenewable resources, state royalty shares, and the market value of resources being exploited.

This innovative approach, like Alaska's Permanent Fund, could serve as a possible long-term solution to fisheries and wildlife management funding problems. The Division of Game's budget could increase substantially and provide many more management programs for the public--for example, funding for marine mammal management, large-scale habitat improvement projects, purchase/acquisition of important habitats, and operation of more public use areas such as McNeil River.

Status: Under departmental consideration and review by some legislators.

Option XII: Increase General Fund Revenues

As previously discussed, General Fund dollars appropriated to the department overall, and the Division of Game in particular, have been reduced substantially since FY 86. General Funds appropriated to the division could be increased. One thing is certain--the current General Fund appropriation, coupled with other revenue sources, does not provide the necessary funds to ensure a viable long-term and comprehensive wildlife management program in Alaska.

Status: General Funds are appropriated by the Alaska Legislature.

APPENDIX E

Related Issues

The Department of Fish and Game recognizes that the need to increase revenues raises various issues and concerns. The department has tried to fully consider those concerns in developing various funding proposals. While many of the major issues that the department or others have identified as being related to the proposed increases in license and tag fees have already been discussed in this document, additional issues and the department's current position on them, are addressed below.

A. The 25¢ Resident Sport Fishing, Hunting and Trapping License

Senate Bill 75 would repeal the 25¢ resident sport fishing, hunting and trapping license. While passage of this bill would result in increased revenues to the Fish and Game Fund (see APPENDIX D--Additional Options for Increasing Revenues, Option IV), the department is maintaining a neutral position on this bill. Many Alaskans support the concept of providing hunting and fishing opportunities to those who otherwise could not afford to participate. Unfortunately, the qualifications of individuals receiving the 25¢ licenses are seldom verified. Thus, the program is subject to greater abuse than any other public assistance program administered by the state. There is considerable evidence that significant numbers of the 25¢ licensees purchase those licenses fraudulently. For these reasons, the department would like to see the existing law amended to limit program abuses and save administrative costs.

B. Disproportional Costs of Fish and Wildlife Management are Paid by Sportsmen

Some sportsmen feel that they have been singled out to pay a disproportionate share of the costs of fish and wildlife management. They pay excise taxes on purchases of hunting and fishing equipment that are used for the Pittman-Robertson and Dingle-Johnson Funds (see APPENDIX A--Funding and Budget Details). They also contribute directly to the Fish and Game Fund by their purchases of hunting and fishing licenses and tags. And as Alaskan citizens, they have a stake in the General Fund monies that are allocated by the Legislature to the department. Why has the department chosen to try to increase its revenues by adding to the costs of hunting and fishing?

The department is considering many alternatives for raising additional revenues (see PROPOSED INCREASES TO HUNTING LICENSES AND TAG FEES and APPENDIX D--Additional Options for Increasing Revenues). Some alternatives that affect only nonconsumptive uses are being considered and several have already been implemented. The decision to seek increases in license and tag fees was made for several reasons. Alaska provides its residents with many unequalled hunting and fishing opportunities. Alaskans

harvest more species of fish and game over longer seasons and with more generous bag limits than is available or possible anywhere else in the country. Despite having one of the nation's highest per capita incomes, Alaska's resident license and tag fees are among the lowest of all states. Consumptive users of fish and wildlife resources benefit materially from the animals that they harvest. It is reasonable that those who take public resources for their personal use should pay more for the privilege to do so.

The operational costs to the department for assuring well-managed consumptive uses are greater than those for nonconsumptive uses. The Boards of Fisheries and Game require a greater amount of more precise information in order to make sustained yield harvest and allocation decisions. The cost of acquiring this information through population survey, census, and inventory work, harvest monitoring and reporting systems, stock separation and identification work, and research have increased steadily. Consumptive users make far greater demands for public services offered by the department, and a large portion of the department's administrative costs are related to resource use (for example, the publication of the sport fishing, hunting, and trapping regulations and the administration of the permit lottery system). All of these costs have risen steadily over the past ten years, yet the cost of licenses has not changed since 1977.

C. Sportsmen are Asked to Pay More While Opportunities for Hunting and Fishing are Being Reduced

It is true that recent state and federal legislation has changed some of the hunting and fishing opportunities previously available to all Alaskans. The creation of new national parks, preserves, monuments and refuges, transfer of public lands to private ownership, and the establishment of subsistence and resident use preferences, have resulted in decreased opportunities for many people, especially those living in urban areas of the state and nonresidents. These changes have occurred simultaneously with a rapidly growing human population and increased demand on Alaska's resources. All of these factors have made the department's job more complex and significantly increased operating costs. The department has a major role in working with the federal government, other state agencies, and the private sector to provide public use opportunities of fish and wildlife resources. If revenues do not increase, our ability to maintain or enhance future opportunities will be diminished.

D. The Department of Fish and Game Listens Only to Certain User Groups

Nearly all special interest user groups have at one time or another suggested that the department caters to the needs of the "other" user groups. One sportsmens' organization wrote that "sport hunters have been methodically ignored." A recent letter to the editor of Alaska's largest newspaper suggests just the

opposite, that only the sport hunters' voice is heard. There is increased friction between nearly all user groups: some sport fishermen are unhappy with the amount of salmon allocated to the commercial fishermen and vice versa; some rural subsistence hunters do not want urban sports hunters in "their" area, while some sport hunters dislike the whole idea of a subsistence preference; some people would like to see all fur trapping eliminated in the state, while others would like to see greater emphasis on predator control.

The truth is that the Alaska Department of Fish and Game does not make the decisions as to "who gets what resource." The Boards of Fisheries and Game are the administrative entities which have the responsibilities for allocating fish and wildlife resources within the existing laws. It is a difficult job. As the population of Alaska has grown and diversified, the demands for fish and wildlife resources have increased and changed. The state of Alaska's system for establishing fish and game regulations is perhaps the most open to public input of all the 50 states. Nonetheless, it is impossible to satisfy all users, and there are bound to be conflicts among them. The department should not be put into the position of acting as referee. The department strives to serve all Alaskans, however diverse their views.

E. Enforcement of Existing Fish and Wildlife Laws is Inadequate

It is an unfortunate truth that there are a number of Alaskans who participate in fishing, hunting, and trapping activities without purchasing the required licenses and tags or who violate other fish and game laws and regulations. It is impossible to estimate how many people are involved in such activities, but it is certainly true that if all people obeyed the laws and regulations, additional revenues would be generated and wildlife resources would be in better shape. It is also impossible to correct this problem by law enforcement action alone. Alaska is simply too large to contemplate the number of enforcement officers that would be required to adequately cover all areas. The Department of Public Safety, Division of Fish and Wildlife Protection, is primarily responsible for enforcing fish and game laws. Like all state agencies, they too have had to deal with budget reductions. Fish and Wildlife Protection Officers are stationed throughout the state in such a way as to maximize their efforts.

The Department of Fish and Game assists in law enforcement through the deputization of field personnel. The department also recognizes that education is an important factor in encouraging all citizens to comply with fish and game laws. The department encourages compliance with the laws by sponsoring a number of education programs and publishing a variety of information pamphlets to inform the public on what the regulations are, how they are established, and why they are necessary. We would also like to see better compliance with fish and game regulations and more comprehensive enforcement.

F. "State Government is Already Too Big." How Can the Alaska Department of Fish and Game Justify Seeking More Money When the Alaskan Economy is Shrinking?

It might seem logical that as the Alaskan population declines and the economy shrinks, the public need for services performed by the department would also decline. In fact, just the opposite is true. The recession that Alaska is currently experiencing causes additional work for the department to meet our mandated responsibilities. In order to stimulate the economy, most of the public would like to diversify Alaska's economic base by promoting the development of both renewable and nonrenewable resources. The department plays a critical role in providing the biological and public use information necessary for regulatory decisions affecting resource development activities. Both federal and state laws place conditions on some developments which are intended to protect the natural environment. By providing pertinent data and technical assistance for proposed developments, the department can help to speed the decision-making process and ensure compatibility of developments with public fish and wildlife resources.

During times of economic hardship, some segments of the public increase their utilization of fish and wildlife resources. This creates the need for additional and more precise population assessment information for the Boards of Fisheries and Game to use in establishing seasons and bag limits and making allocation decisions.

THE NEED TO INCREASE FUNDING
FOR SPORT FISH MANAGEMENT AND CONSERVATION
IN ALASKA

ALASKA DEPARTMENT OF FISH AND GAME
SPORT FISH DIVISION
JANUARY 1988

ABSTRACT OF CONTENTS: Present funding is not sufficient to allow the Alaska Department of Fish and Game to keep pace with sport fish management needs resulting from increasing fishing pressure and conflicts between user groups. This packet provides background information in support of a license increase that will be considered during the 1988 legislative session. Proposed increases in resident and nonresident sport fishing licenses would provide an additional \$1.8 million annually to the Sport Fish Division for a variety of management, research, and public interaction activities. Public support is requested.

PURPOSE OF THIS INFORMATION PACKAGE

The mission of the Sport Fish Division of the Alaska Department of Fish and Game is to manage, protect, maintain, improve, and extend the state's recreational fishery resources to provide a diverse mix of present and future fishing opportunities that address the desires of the angling public and contribute to the Alaskan economy.

To carry out this mandate, the Sport Fish Division conducts a wide range of activities, including fishery management, research, planning, habitat protection, access development and public interaction.

The Department of Fish and Game is concerned that present funding does not enable the Sport Fish Division to maintain the level of service that is required with increasing fishing pressure, limited public access, user conflicts, and other public use needs. An increase in license fees provides the most feasible option to meet these most important needs. Legislation to increase license fees was introduced at the department's request in 1987; it will be considered during the legislative session starting in January 1988.

This information package has been prepared by the Sport Fish Division to summarize the present Sport Fish program and its limitations, and in general terms, what additional programs can be accomplished with any additional funds received, should the license increase legislation be approved.

If the reader has questions, would like more detailed information, or would like to discuss fisheries activities of the Sport Fish Division, please contact any of the following:

Norval Netsch, Director, Sport Fish Division, Juneau
(465-4180)
Frank Van Hulle, Deputy Director, Sport Fish Division, Juneau
(465-4180)
Gary Sanders, Region I, Juneau (465-4270)
Paul Krasnowski, Region II, Anchorage (267-2218)
John Clark, Region III, Fairbanks (456-4359)
or any Sport Fish Division employee.

We are asking for your support for better protection and management of Alaska's sport fish.

THE PROBLEM

There has been a steady increase in fishing pressure over the years which continues in spite of recent decreases in the state's population. For example, there were 201,058 anglers in Alaska in 1977; 249,229 in 1981; and 359,383 in 1986. These fishermen fished 2,071,412 angler days in 1986 compared to 1,420,172 in 1981. In addition, there has been steady growth in the number of lodges, guides, and outfitters in many areas of the state. Some areas that received little or no fishing pressure now have considerable use by fishermen and commercial operators. Sport fish harvest has increased from 2,528,056 fish (all species) in 1981 to 3,163,433 fish in 1986 and continues to increase in spite of reduced bag limits and more restrictive regulations for many waters. The total value of sport fishing in Alaska is unknown, but an economic study indicates that in 1986 sport fishermen spent \$127 million in the southcentral area of the state alone. Sport fishing in that area generated 2,840 full-time equivalent jobs in Alaska. Obviously, the contribution of sport fishing to the state economy is significant.

At the same time, refinements in commercial fisheries management have allowed for increased commercial harvest rates and development of new fisheries for salmon, halibut, and other species that are important to the sport fishery as well. Superimposed on both of these user groups is the use of fishery resources for subsistence and personal use. Conflicts between user groups over the use of limited resources have occurred and can be expected to increase. In combination, the increasing demands on finite fishery resources require more precise management to assure reasonable harvest levels while ensuring stock conservation.

The need for more access, public information, management planning, and coordination has also greatly increased. Although the Sport Fish Division budget has increased over the years, it does not approach the amount needed to adequately manage and protect the resources under the current harvest and public pressures. For example, we have individual biologists responsible for management of recreational fisheries in more waters than are contained in some of the larger lower 48 states (one AYK area biologist is responsible for an area the size of Texas); we have major river systems with world-class fisheries for which we have no current biological information; and we have many areas where public access is now limited or nonexistent, while nearby areas are over-crowded. Without the ability to conduct studies and collect data required for management, we will be faced with crisis situations to correct fishery resource problems that may require extraordinary measures, rather than preventing the problems before they occur. The days when superficial information was enough to manage an Alaskan recreational fishery due to light fishing pressure are history. We must pay the cost of adequate management or accept the fact of lost sport fishing opportunities.

THE ALASKA SPORT FISH PROGRAM

The recreational fisheries programs for the state are coordinated by the Sport Fish Division. Of approximately \$12 million received from all sources, more than \$9 million are used directly by the Sport Fish Division. The remaining funds are expended by FRED and Habitat Divisions to accomplish specific sport fish related projects, such as hatchery production of sport fish, under specific agreement with the Sport Fish Division.

Sport Fish Division

Primary activities within the Sport Fish Division can be categorized as fisheries management, research, and access. Management activities involve day-to-day fishery monitoring, data analysis, and regulation of sport fisheries. Professional fisheries biologists based in twelve offices statewide are responsible for all resident and anadromous species and stocks of fish that are targeted by recreational anglers. Management staff work closely with local users, sportsmen's groups, fish and game advisory committees, and staff of other divisions. They provide information to the Board of Fisheries during regulatory hearings. Many of the projects funded in this component deal with highly seasonal and frequently intense salmon fisheries which may require inseason management actions.

The division staff conduct research projects on resident species such as rainbow trout, grayling, char, whitefish, northern pike and burbot. These projects are designed to provide specific information on population abundance, size, and survival, and the impact of increasing fishing pressure. The information derived from Sport Fish Division research feeds directly into the management and regulatory process.

Purchase and development of access for recreational fishing is a rapidly growing portion of the Sport Fish Division program. An amendment to the D-J Act mandates a minimum of 10 percent of the federal funds be used to improve boating access. Monies can be spent to buy land for public use or to improve public areas by building roads, parking areas or boat launches. Because of the importance of access to sport fisheries in recent years, the division has significantly exceeded the required 10 percent.

Additional support services such as data management, planning, publications, and administration fill out the Sport Fish Division program.

FRED Division

The growth and development of sport fisheries throughout Alaska has paralleled or exceeded human population growth and increases in tourism. Fishermen near population centers are experiencing sharply increasing competition for limited fisheries resources. Hatchery production of trout, grayling, char, sheefish, and salmon is an important tool which complements conservative management of wild fish stocks, provides

increased angling opportunity and redirects effort from more vulnerable wild stocks.

In southeast Alaska, stocking efforts are directed at enhancement of steelhead, chinook and coho sport fisheries. In the interior, hatchery production has been realigned to provide salmon, rainbow trout, char, lake trout, sheefish, and grayling for landlocked lakes. Most of FRED Division's sport fish funding in southcentral is used to provide catchable and fingerling rainbow trout for Anchorage, the Mat-Su Valley, and Kenai Peninsula. The balance is split between release of chinook and coho smolt in areas where minimal interception by commercial fisheries and maximum use by recreational fisheries can occur.

Habitat Division

The Habitat Division has the responsibility to represent the department in many of the planning efforts of other agencies and to provide habitat protection recommendations for developmental activities that may affect fish and wildlife. This results in protection of many living resources of the state and helps assure long-term public enjoyment of these resources. Money from the recreational fisheries program is a minor portion of the Habitat Division budget. It is utilized for maintenance and update of the catalog of anadromous waters and for involvement in planning activities with other agencies to protect habitat and assure proper management of recreational fisheries.

SPORT FISH DIVISION FUNDING SOURCES

Funds for the Sport Fish programs are provided through three major sources:

1. Fish and Game Funds. This is money derived from the sale of hunting and sport fishing licenses. This money is deposited in the fish and game account and may not be directed to a purpose other than the protection, propagation, investigation, and restoration of sport fish and game resources, and the expenses of administering the sport fish and game programs of the department. Money from the sale of these licenses does not go into the general fund. By department policy, funds received from the sale of fishing licenses are credited to a sport fisheries account and the Sport Fish Division budgets against these funds to the extent they are available (Appendix A). Over the years most of the fishing license funds have been used by the Sport Fish Division, but during 6 of the 27 years of records shown in Appendix B, some of these funds have gone to the Habitat and FRED Divisions for recreational fisheries activities. There have been no increases in the cost of sport fishing licenses since 1977.
2. Dingell-Johnson (D-J) Funds. This is money provided by the U.S. Government derived from a federal excise tax on fishing tackle and is the major source of funding for the recreational fishing program. These monies are administered by the U.S. Fish and

Wildlife Service and allocated to the states by a fixed formula. These funds can be used only for certain approved activities that benefit the sport fishery and are matched with state money at a ratio of one state dollar to three federal dollars. In 1986, the amount of money received from this source was expanded by the Wallop-Breaux amendment which taxed additional items and included a portion of the federal fuel tax. This new amendment included a provision that a minimum of 10 percent of these funds be spent on boating access purchase and development. All D-J funds received by the department are prioritized and coordinated by the Sport Fish Division.

3. General Funds: These are state funds that finance most operations in state government. In past years, the Sport Fish Division has received over \$1.0 million per year of general funds. Since 1986, Sport Fish has not received any general funds in the operating budget. FRED Division receives \$600,000 and the Habitat Division receives \$52,000 from the state's general fund to match D-J money used in the recreational fisheries program. Appendix C provides a summary of the recreational fisheries program funding.

WHAT WOULD BE DONE WITH INCREASED FUNDS?

As the legislation was originally proposed (Appendix D), the resident sport fishing license would increase from \$10 per year to \$15, and the resident hunting and sport fishing license would increase from \$22 to \$35 per year. This would generate an estimated \$875,000 per year. A proposed amendment to the bill would increase nonresident license fees as well (Appendix E) would result in an estimated \$1.85 million increase in funds (details by type of license, Appendix F).

Project activities and priorities are developed during the annual budget cycle that involves several levels of decisions from the Sport Fish Division, through the department, the Governor, and the Legislature. When additional funds become available, the Sport Fish Division will implement the following types of projects:

- * New or expanded studies to provide information required for management of many species and in many areas.
 - Rainbow Trout in many southcentral and Bristol Bay waters.
 - Cutthroat trout in Southeast waters from Ketchikan to Prince William Sound.
 - Grayling in waters where harvests are, or are suspected to be, reaching a point of management concern.
 - Steelhead in selected areas throughout their range.

- Various aspects of salmon management including evaluation of enhancement efforts, mixed stock problems, collection of harvest and escapement data.
 - Dolly Varden/Arctic char that now or in the future would support a significant sport fishery. Areas include waters from southcentral Alaska to Kotzebue Sound.
 - Lake trout and burbot which are very slow growing, long-lived species that are extremely susceptible to overharvest.
 - Northern pike in areas where harvest is increasing and biological information is needed.
 - Halibut, rockfish, and ling cod in several areas where the sport fishing effort has significantly increased in recent years.
- * Strengthening area management capability. An increased level of effort in various areas of the state is needed to improve local fishery management expertise and to better serve the public.
 - * Increasing efforts directed at development and implementation of management plans for specific fisheries, and for cooperative plans being developed by various state, federal, and local interests. Many of these are of vital importance to sport fishing and considerable time is required to assure that sport fish interests are addressed.
 - * Providing more and better information to sport fishermen and the general public in the form of publications, maps, brochures, videos, articles in the media, and personal appearances by department staff.
 - * Providing additional or improved access to areas where public use is now restricted due to land ownership or lack of facilities.
 - * Aquatic education. There is a need to educate all sectors and age groups of the public on many subjects related to aquatic resources, conservation, and "how to" fish. This would be work done by department employees, as well as through cooperative efforts with schools, communities, and sportsmen's groups.
 - * Constituency involvement programs. There is an opportunity to accomplish various projects through cooperative efforts between the Sport Fish Division and sportsmen's groups or communities. These include volunteer programs and jointly funded projects.
 - * Economic evaluations. Accurate economic values associated with sport fishing are generally lacking. This would provide for continuing information on key economic values of sport fishing on a statewide basis.

Department Policy
Use of the Fish and Game Fund

The following policy is established to: 1) fund approved activities in accordance with the purposes establishing the Fish and Game Fund, 2) insure future participation in both Federal Fish and Wildlife Restoration Programs, and 3) provide the Division of Game and the Division of Sport Fish with the opportunity to develop and insure fiscal responsibility in program development and budget implementation.

The revenues generated from hunting, sport fishing and trapping licenses, associated fees and other designated revenues as deposited in the Fish and Game Fund shall be used as follows:

1. The Divisions of Game and Sport Fish shall be allowed to request funding for projects to the extent of fish and game revenues available or projected to be collected. The Division of Game shall budget against the sale of hunting and trapping licenses and associated fees and revenues deposited in the Fish and Game Fund. The Division of Sport Fish shall budget against revenues collected in association with fees generated from fishing activities.
2. A divisional budget, developed against anticipated revenues which fail to materialize, shall adjust it[s] program to recognize such shortages within that appropriation.
3. Any monies deposited in the Fish and Game Fund from sources other than license fees and tags shall be credited to the appropriate division. Funds not readily identified or general in nature (e.g. non-specific donation) shall be credited equally to each account.
4. The Division of Administration will prepare and maintain the necessary records to identify appropriate fund balances.
5. Each division will budget to maintain a year end balance for shortfalls in anticipated revenues.

/s/ Don W. Collinsworth

Don W. Collinsworth, Commissioner

5-21-83

Date

Department of Fish and Game
Fish and Game Fund
Revenues and Budgets for FY61 to FY88 /8

Fiscal Year	Sport Fisheries Revenues	Sport Fisheries Budget	+/- Receipt	Revenues	Game Budget	+/- Receipt	Revenues	Total Budget	+/- Receipt
1961/1	\$519.1	\$390.0	\$129.1	-0-	-0-	\$27.7	\$519.1	\$390.0	\$156.8
1962/1	\$876.2	\$658.1	\$218.1	-0-	-0-	\$207.7	\$876.2	\$658.1	\$425.8
1963	\$549.6	\$512.5	\$37.1	\$1,008.0	\$997.7	\$10.3	\$1,557.6	\$1,510.2	\$47.4
1964	\$692.0	\$648.4	\$43.6	\$905.4	\$734.6	\$170.8	\$1,597.4	\$1,383.0	\$214.4
1965	\$644.8	\$512.4	\$132.4	\$1,052.3	\$946.1	\$106.2	\$1,697.1	\$1,458.5	\$238.6
1966	\$768.2	\$613.7	\$154.5	\$1,093.3	\$942.4	\$150.9	\$1,861.5	\$1,556.1	\$305.4
1967	\$785.6	\$640.4	\$145.2	\$1,114.6	\$1,095.6	\$19.0	\$1,900.2	\$1,736.0	\$164.2
1968	\$799.5	\$690.4	\$109.1	\$1,694.7	\$1,599.8	\$94.9	\$2,494.2	\$2,290.2	\$204.0
1969	\$934.2	\$895.4	\$38.8	\$1,607.9	\$1,731.5	(\$123.6)	\$2,542.1	\$2,626.9	(\$84.8)
1970	\$1,125.9	\$1,374.5	(\$248.6)	\$1,917.1	\$1,986.2	(\$69.1)	\$3,043.0	\$3,360.7	(\$317.7)
1971	\$882.1	\$1,246.3	(\$364.2)	\$1,374.1	\$2,288.5	(\$914.4)	\$2,256.2	\$3,534.8	(\$1,278.6)
1972/2	\$675.2	\$981.0	(\$305.8)	\$899.3	\$1,009.0	(\$109.7)	\$1,574.5	\$1,990.0	(\$415.5)
1973/3	\$1,583.8	\$1,994.9	(\$411.1)	\$3,003.2	\$2,161.1	\$842.1	\$4,587.0	\$4,156.0	\$431.0
1974/4	\$1,379.5	\$2,161.1	(\$781.6)	\$3,300.0	\$1,994.9	\$1,305.1	\$4,679.5	\$4,156.0	\$523.5
1975	\$920.4	\$1,373.7	(\$453.3)	\$1,386.9	\$1,526.2	(\$139.3)	\$2,307.3	\$2,899.9	(\$592.6)
1976	\$1,164.8	\$1,121.7	\$43.1	\$1,238.2	\$1,160.4	\$77.8	\$2,403.0	\$2,282.1	\$120.9
1977	\$1,436.0	\$941.8	\$494.2	\$1,371.1	\$1,474.5	(\$103.4)	\$2,807.1	\$2,416.3	\$390.8
1978	\$1,905.3	\$1,842.1	\$63.2	\$2,047.0	\$1,632.0	\$415.0	\$3,952.3	\$3,474.1	\$478.2
1979	\$2,186.0	\$2,394.4	(\$208.4)	\$2,163.8	\$2,439.6	(\$275.8)	\$4,349.8	\$4,834.0	(\$484.2)
1980	\$2,241.9	\$1,865.1	\$376.8	\$2,596.1	\$1,676.7	\$919.4	\$4,838.0	\$3,541.8	\$1,296.2
1981	\$2,886.2	\$2,284.6	\$601.6	\$2,584.6	\$2,808.2	(\$223.6)	\$5,470.8	\$5,092.8	\$378.0
1982	\$2,590.2	\$2,725.2	(\$135.0)	\$2,618.4	\$3,023.4	(\$405.0)	\$5,208.6	\$5,748.6	(\$540.0)
1983	\$3,537.5	\$2,850.0	\$687.5	\$2,883.5	\$3,399.0	(\$515.5)	\$6,421.0	\$6,249.0	\$172.0
1984	\$3,466.0	\$2,945.0	\$521.0	\$3,651.0	\$2,955.0	\$696.0	\$7,117.0	\$5,900.0	\$1,217.0
1985	\$3,580.0	\$3,730.4	(\$150.4)	\$3,706.0	\$4,469.2	(\$763.2)	\$7,286.0	\$8,199.6	(\$913.6)
1986/5	\$4,054.1	\$3,975.0	\$79.1	\$3,767.3	\$3,900.0	(\$132.7)	\$7,821.4	\$7,875.0	(\$53.6)
1987/6	\$4,000.0	\$4,081.8	(\$81.8)	\$3,900.0	\$4,450.0	(\$550.0)	\$7,900.0	\$8,531.8	(\$631.8)
1988/7	\$4,050.0	\$4,026.0	\$24.0	\$3,950.0	\$4,000.0	(\$50.0)	\$8,000.0	\$8,026.0	(\$26.0)
Total	\$50,234.1	\$49,475.9	\$758.2	\$56,833.8	\$56,401.6	\$667.6	\$107,067.9	\$105,877.5	\$1,425.8

Notes:

- (1) Detail amounts for 1961 and 1962 Game Division was not available. The only data available was the net of revenues and expenditures.
- (2) Includes Habitat Program of \$ 39.6 (Game \$ 26.7 and Sport Fish \$ 12.9).
- (3) Includes: Protection XFER to DPS (Game \$800.0 and Sport Fish \$136.2); Habitat Program \$38.1 (Game \$25.7 and Sport Fish \$12.4); and Hatcheries from Sport Fish \$50.0.
- (4) Includes Habitat Program \$39.8 (Game \$25.8 and Sport Fish \$14.0); and Hatcheries from Sport Fish \$75.0.
- (5) Includes \$ 500.0 funding to FRED from Sport Fish, and \$ 296.4 interest paid to the fund.
- (6) Includes \$ 250.0 funding to FRED from Sport Fish; revenues and budget amounts estimated thru end of FY 1987.
- (7) Revenues based FY1987 estimated receipts with an allowance of 2-3 percent increase in total collections. No allowance for permit or licence fee increases. Budget amount taken from FY1988 Governor's Budget Request.
- (8) The reader should note that all amounts presented for years prior to FY1976 (1961 - 1975) have not and can not be proved. The data presented for those years should be used with caution and not presented as fact.

DEPARTMENT OF FISH AND GAME
 FY 1988
 RECREATIONAL FISHERIES PROGRAM TOTALS
 (All costs in thousands of dollars)

	HQ	RTS	Region I (South- east)	Region II (Central)	Region III (AYK)	Statewide Total
SPORT FISH DIVISION						
Administration	350	152	183	231	98	1,014
Access						1,380
Planning	18		50	40		108
Data Mgmt.		375				375
Reports, Publications						
Regulations	105					105
Fisheries Mgmt.	105	245	841	1,473	593	3,257
Fisheries Research	125	309	591	1,079	795	<u>2,899</u>
Sport Fish Division total	= \$3,708 Fish and Game Fund =					\$9,138
	+ 5,430 D-J					
	+ 0 General Fund					
FRED DIVISION						
Hatchery Production			409	1,670	366	2,445
Reports, Publications	43					<u>43</u>
FRED Division Total	= \$ 250 Fish and Game Fund =					2,488
	+1,652 D-J					
	+ 586 General Fund					
HABITAT DIVISION						
Anadromous Catalog						51
Planning			63	97		<u>160</u>
Habitat Division Total	= \$ 0 Fish and Game Fund =					211
	+ 156 D-J					
	+ 53 General Fund					

DEPARTMENT SPORT FISH PROGRAM TOTAL \$11,837

1 IN THE SENATE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2

SENATE BILL NO. 129

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to sport fishing and hunting li-
7 censes; and providing for an effective date."

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

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

10 (1) Resident sport fishing license..... \$15 [\$10]

11 However, the fee is 25 cents for a resident who is blind.

12 * Sec. 2. AS 16.05.340(a)(2) is amended to read:

13 (2) Resident hunting license 20 [12]

14 * Sec. 3. AS 16.05.340(a)(3) is amended to read:

15 (3) Resident hunting and trapping license 30 [22]

16 * Sec. 4. AS 16.05.340(a)(5) is amended to read:

17 (5) Resident hunting and sport fishing license 35 [22]

18 * Sec. 5. AS 16.05.340(a)(6) is amended to read:

19 (6) Resident hunting, trapping, and sport fishing
20 license 45 [32]

21 However, the fee is 25 cents for an applicant who is the head of
22 a family or a dependant member of that family, or who is solely self-
23 supporting, upon proof presented by the applicant that the applicant

24 (A) is obtaining or has obtained assistance during the
25 preceding six months under any state or federal welfare program
26 to aid the indigent, or

27 (B) has an annual family gross income of less than
28 \$5,600 for the year preceding application.

29 * Sec. 7. This Act takes effect January 1, 1988.

March 19, 1987

The Honorable Jack Coghill
Alaska State Legislature
P. O. Box V
Juneau, AK 99802

Dear Senator Coghill:

I have reviewed SB 129 dealing with resident sport fishing and hunting license fees. I would like to propose a set of amendments to that bill. The proposed amendments would increase nonresident game license and tag fees, implement a tag fee structure for resident big game hunters, institute a new small game license, and increase nonresident sport fish license fees.

I would be somewhat reluctant to go after such a broad-sweeping increase in user fees, if we were not faced with significant declines in both general fund dollars and in the federal aid (Pittman-Robertson) funds for the Game Division and the need for state match for federal funds in sport fisheries which mandates expanded programs and land access purchases and developments.

If our forecasts are in the ballpark, and we think they are, and if these proposals were fully enacted, we would still fall short of maintaining funding for the Game Division at the FY 86 level.

The increase in the sport fish nonresident license would preserve the 1:3.6 ratio we currently have between resident and nonresident fees.

The following is the proposed package of amendments:

GAME

Increase nonresident license and tag fees

1. Increase ~~nonresident~~ hunting license fees from \$60 to \$85; estimated increased revenues - \$138.0.

March 19, 1987

2. Establish a nonresident small game hunting license for \$20; estimated increased revenues - \$13.0.
3. Increase nonresident tag fees for big game as follows:

<u>Species</u>	<u>From</u>	<u>To</u>
black bear	\$ 200	\$250
brown/grizzly bear	350	500
bison	350	500
caribou	300	350
Dall sheep	400	450
deer	135	150
elk	250	300
moose	300	400
mountain goat	250	300
muskoxen	1,100	no change
wolf	150	450
wolverine	150	450

Increases in nonresident tag fees would generate additional revenues estimated at \$460.0.

Total estimated increased revenues from implementing (1), (2), and (3) above would be approximately \$611.0.

Establish resident big game tags

Establish resident tag fees for selected big game species (there is already a brown/grizzly bear tag fee which costs \$25). The tag fees would be required for residents to hunt a particular species but would not be required for each animal taken in a multiple bag limit. For example, a resident hunter would have to pay a tag fee to hunt deer on Kodiak Island but could harvest the legal bag limit (up to 5 deer). Resident big game tag fees could be established as follows:

<u>Species</u>	<u>Tag Fee</u>
black bear	\$ 10
brown/grizzly bear	no change
bison	40
caribou	10
Dall sheep	25
deer	10
elk	15
moose	10
mountain goat	10
muskoxen	no change

March 19, 1987

All residents would be required to have the specified big game tag for the species they are hunting. Estimated annual revenues would be \$900.0 to \$1,100.0.

Combined revenues from these options would generate an additional \$1.5 to \$1.7 million. These options, coupled with an increase in resident hunting license fees, would provide a minimum of \$2.0 million annually to the Fish and Game Fund.

SPORT FISH

Increase nonresident license fees

1. Increase the nonresident 3-day sport fishing license fee from \$10 to \$15 (cost per day \$5); estimated net increase \$263.0.
2. Decrease the nonresident 14-day sport fishing license to 10 days and increase the license fee from \$20 to \$30; estimated net increase \$520.0.
3. Increase the nonresident annual sport fishing license from \$36 to \$50; estimated net increase \$224.0.

The above increases in revenue are estimates based on the assumption that present sales will not decrease from the 1985 base for the class of license indicated.

I would appreciate your review of these recommendations and would be happy to discuss them at your earliest convenience. Thank you.

Sincerely,

Don W. Collinsworth

Don W. Collinsworth
Commissioner

cc: Governor Steve Cowper
Senator Jim Duncan
Senator Dick Eliason
Representative Peter Goll
Bob Evans, Governor's Office

PROJECTED REVENUES BASED ON 1986 SALES AND NEW COSTS

Residency Status	License Type	Rate	Number Fishing	Number Hunting	Gross Revenues Fishing	Gross Revenues Hunting
R	Fish	15	110,751		\$1,661,265	
R	Hunt	20		26,911		\$ 538,220
R	Hunt/Trap	20/10		1,996		39,920
R	Fish/Hunt	15/20	42,794	42,794	641,910	855,880
R	Fish/Hunt Trap	15/20/10	7,967	7,967	119,505	159,340
Total			161,512	79,668	\$2,422,680	\$1,593,360
NR	Fish 10-day	30	52,521		\$1,575,630	
NR	Fish	50	16,934		846,700	
NR	Hunt	80		5,554		444,320
NR	Fish/Hunt	50/80	1,080	1,080	54,000	86,400
NR	Hunt/Trap	80		37		2,960
NR	Fish 3-day	15	52,682		790,230	
NR	Mil Fish	10	6,910		69,100	
NR	Mil SG/Hunt	12		775		9,300
NR	Mil Fish/ SG/Hunt	10/12	884	884	8,840	10,608
Total			131,011	8,330	\$3,344,500	\$ 553,588
R	Fish/Blind	0.25	6		1	
R	25c	0.25	15,943	15,943	1,992	1,992
	R Total		177,461	95,611	\$2,424,674	1,595,352
	NR Total		131,011	8,330	3,344,500	553,588
	R/NR Total		308,472	103,941	\$5,769,174	\$2,148,940

PROJECTED FISHING LICENSE REVENUES \$5,769,174
 Actual 1986 license Revenues \$3,920,798
 Potential Increase \$1,848,376
 (With increase in resident and nonresidential fees.)

STATE OF ALASKA
1989 LEGISLATIVE SESSION

BILL VERSION: CSHB124
PUBLISH DATE: 03-22-89

FISCAL NOTE

REQUEST:

Revision Date: 03-28-89
Title: An Act relating to sport fishing, trapping and hunting...
Sponsor: Governor Cowper
Requestor: _____

Agency Affected: Fish and Game
BRU: Sport Fish, Wildlife Conservation Administration
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING						

CAPITAL						
---------	--	--	--	--	--	--

REVENUE		948.1	3388.5	3765.0	3765.0	3765.0
---------	--	-------	--------	--------	--------	--------

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER Fish & Game		948.1	3388.5	3765.0	3765.0	3765.0
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

See enclosed.

Prepared by: Beverly Reaume *Beverly Reaume* Phone: 465-4120
 Division: Administration Date: 03-28-89
 Approved by Commissioner: [Signature] Date: 3/28/89
 Agency: Fish and Game

Distribution (by preparer):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

RECEIVED
 MAR 31 1989

LEGISLATIVE FINANCE

CSHB124.
 * ASSUMPTIONS FOR LICENSE FEE FISCAL NOTE

RESIDENT	FY88 ACTUALS		ANNUAL VALUE AT CURRENT FEE	ANNUAL VALUE AT INCREASED FEE	FY90 INCREASE (PARTIAL YEAR)	FY91 INCREASE
	%JAN-JUN					
HUNT	67262	42.1%	807144	1651550	355378	844406
HUNT/TRAP	8362	62.4%	167240	334480	104280	167240
TRAP	1155	52.6%	11550	17325	3040	5775
FISH	161409	41.7%	1614090	2421135	336405	807045
FISH FARM	2	0	400	800	0	400
FUR DEALER	35	48.6%	3500	5250	350	1750
TAXIDERMY	36	75.0%	5400	7200	1350	1800
GAME BIRD FARM	7	100.0%	140	350	210	210
NONRESIDENT						
HUNT	8106	15.1%	486360	689010	30625	202650
HUNT/TRAP	50	15.1%	10000	12500	378	2500
FUR DEALER	1	0.0%	400	500	0	100
TAXIDERMY	3	66.7%	1200	1500	200	300
ALIEN HUNT	-	15.1%	-	90000	13590	90000
TAGS		14.4%	2898120	3417050	74726	518930
FISH	18154	23.7%	653544	907700	60158	254156
FISH 14 DAY	58413	7.8%	1168260	1752390	45310	584130
FISH 3 DAY	56723	9.5%	567230	850845	26900	283615
TOTALS			8394578	12159585	1053400	3765007
ASSUME THE HIGHER FEE WILL CAUSE A 10% REDUCTION IN SALES					948060	3388506
DIVISION OF WILDLIFE CONSERVATION					526164	1652095
SPORT FISH DIVISION					421896	1736051

* .25 LICENSES AND DUPLICATES WERE LEFT OUT OF THESE CALCULATIONS

HB

124

SENATE FINANCE COMMITTEE REPORT

DATE: 5/3/90

FURTHER: _____

DATE TURNED INTO OFFICE: 5/6/90

The Finance Committee considered CSHB 124 (Rules) am
Increase sport, hunt, fishing license fees; efd.

and recommended:

replace with S CS CSHB 124 (Fin) same title
 or adopt _____ CS _____ new title
 attached amendment(s) technical
 _____ letter of intent adopted title change
(HB only)

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

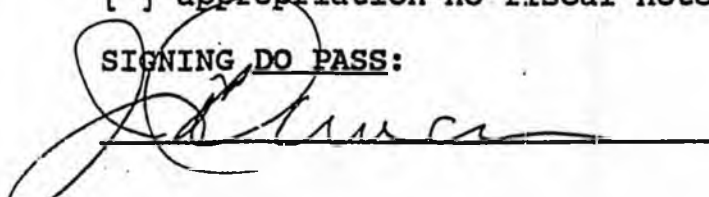
ATTACHES NEW FISCAL NOTE(S):

fiscal note(s) _____ Dept/Date: _____

zero fiscal note(s) _____

appropriation-no fiscal note

SIGNING DO PASS:



APPROVES PREVIOUS:

fiscal note(s) DFSG 3/27/90 Dept/Date: _____
1013.0 revenue

zero fiscal note(s) _____

OTHER RECOMMENDATIONS:

Don Rieff No Rec
Peace - no rec
Paul F. Harrell No Rec
Paul F. Harrell No Rec
Paul F. Harrell No Rec
Paul F. Harrell No Rec

1. Paul F. Harrell Do Pass
2. Paul F. Harrell No Rec
co-chairs' Signatures and Recommendations

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: "An Act relating to sport fishing and hunting licenses. . ."
Sponsor: Rules
Requestor: Governor

Agency Affected: Fish and Game
BRU: Wildlife Conservation, Sport Fish, Administration
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING						

CAPITAL						
---------	--	--	--	--	--	--

REVENUE	1013.0	3839.3	3850.0	3850.0	3850.0	3850.0
---------	--------	--------	--------	--------	--------	--------

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER Fish & Game	1013.0	3839.3	3850.0	3850.0	3850.0	3850.0
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

No FY 90 impact.

Prepared by: Beverly Reaume *Beverly Reaume* Phone: 465-4120
Division: Administration Date: 3/22/90

Approved by Commissioner: *John H. Wiley* Date: 3 27 90
Agency: Fish & Game

Distribution (by preparer):

Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

Changes in SCS CSHB 124 (Fin) have no fiscal impact. This fiscal note is appropriate. 5/6/90 *ew*

Adopted

UNBUDGET
* ASSUMPTIONS FOR LICENSE FEE FISCAL NOTE

3/22/90

RESIDENT	1989 ACTUALS	%JAN-JUN	ANNUAL VALUE AT CURRENT FEE	ANNUAL VALUE AT INCREASED FEE	FY91 INCREASE (PARTIAL YEAR)	FY92 INCREASE
HUNT	23189	42.1%	278268	549725	114246	271457
HUNT/TRAP	1516	62.4%	33352	60640	17015	27288
TRAP	1032	52.6%	10320	15480	2716	5160
SF/HUNT/TRAP	6363	52.6%	203616	286335	43510	82719
SF/HUNT	43548	42.0%	958056	1524180	237772	566124
FISH	115332	41.7%	1153320	1729980	240372	576660
FISH FARM	1	0	200	400	0	200
FUR DEALER	45	48.6%	4500	6750	1093	2250
TAXIDERMY	51	75.0%	7650	10200	1913	2550
GAME BIRD FARM	4	100.0%	80	200	120	120
DIP NET FISHING				155000	65100	155000
NONRESIDENT						
HUNT	8543	15.1%	512580	726155	32276	213575
HUNT/TRAP	35	15.1%	7000	8750	264	1750
FUR DEALER	1	0.0%	400	500	0	100
TAXIDERMY	4	66.7%	1600	2000	267	400
ALIEN HUNT	-	15.1%	-	90000	13590	90000
ALIEN TAGS	-	15.1%	-	162100	24477	162100
TAGS	-	14.4%	2936580	3413600	68691	477020
FISH	23338	23.7%	840168	1166900	77337	326732
FISH 14 DAY	63760	7.8%	1275200	1912800	49458	637600
FISH 3 DAY	64143	9.5%	641430	721609	7605	80179
FISH 1 DAY	0	9.5%	0	160358	15209	160358
TOTALS			8864320	12703661	1013030	3839341
DIVISION OF WILDLIFE CONSERVATION					397270	1498907
SPORT FISH DIVISION					615760	2340534

* .25 LICENSES AND DUPLICATES WERE LEFT OUT OF THESE CALCULATIONS
ASSUME THERE WILL BE 15500 DIP NET LICENSES SOLD

Original sponsor(s): Rules/Governor

IN THE HOUSE

BY THE FINANCE COMMITTEE

SENATE CS FOR CS FOR HOUSE BILL NO. 124 (Finance)

IN THE LEGISLATURE OF THE STATE OF ALASKA

SIXTEENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to sport fishing, trapping, and hunting licenses, to big game tags, to personal use salmon dip net fishing permits, to fur dealer, taxi-dermy, aquatic farming, and game farming licenses, and to duplicate licenses and tags; relating to the definition of resident in fish and game laws; relating to use of revenue from sport fishing, trapping, and hunting licenses and tags; relating to the involuntary transfer of entry permits; and providing for an effective date."

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

* Section 1. AS 16.05.130 is amended by adding a new subsection to read:

(d) Revenue from the sale of general hunting, trapping, and fishing licenses and tags together with the federal matching funds from Pittman - Robertson, Dingell - Johnson/Wallop - Breaux programs shall be allocated by the department to programs intended to directly benefit license purchasers of general hunting, trapping, and fishing licenses. The department shall provide an annual report by project of expenditures from the fish and game fund.

* Sec. 2. AS 16.05.340(a)(7) is amended to read:

(7) Nonresident special sport fishing license -- valid for the period inscribed on the license

(A) For 14-day license.....\$30 [\$20]

(B) For three-day license15

(C) For one-day license.....10

* Sec. 3. AS 16.05.340(a)(8) is amended to read:

(8) Nonresident sport fishing license.....50 [36]

* Sec. 4. AS 16.05.340(a)(9) is amended to read:

(9) Nonresident hunting license.....85 [60]

* Sec. 5. AS 16.05.340(a)(10) is amended to read:

(10) Nonresident hunting and sport fishing
license.....135 [96]

A nonresident may not take a big game animal without previously purchasing a numbered, nontransferable, appropriate tag, issued under (15) of this subsection. The tag must be affixed to the animal immediately upon capture and must remain affixed until the animal is prepared for storage, consumed, or exported. A tag issued but not used for an animal may be used to satisfy the tagging requirement for an animal of any other species for which the tag fee is of equal or less value.

* Sec. 6. AS 16.05.340(a)(11) is amended to read:

(11) Nonresident hunting and trapping license....\$250 [\$200]

* Sec. 7. AS 16.05.340(a)(12) is amended to read:

(12) Fur dealers:

(A) Resident fur dealer biennial license.....150 [100]

(B) Nonresident fur dealer biennial license..500 [400]

* Sec. 8. AS 16.05.340(a)(13) is amended to read:

(13) Taxidermists:

(A) Resident taxidermy biennial license.....200 [150]

(B) Nonresident taxidermy biennial license...500 [400]

* Sec. 9. AS 16.05.340(a)(14) is amended to read:

(14) Aquatic [FISH] farming triennial [BIENNIAL]

license.....400 [200]

* Sec. 10. AS 16.05.340(a)(15) is amended to read:

(15) Nonresident big game tags:

(A) Bear, black, each.....225 [200]

(B) [REPEALED.]

(C)] Bear, brown or grizzly, each.....500 [350]

(D) BEAR, POLAR, EACH.....500

(C) [(E)] Bison, each.....450 [350]

(D) [(F)] Caribou, each.....325 [300]

(E) [(G)] Deer, each.....150 [135]

(F) [(H)] Elk, each.....300 [250]

(G) [(I)] Goat, each.....300 [250]

(H) [(J)] Moose, each.....400 [300]

(I) [(K)] Sheep, each.....425 [400]

(L) WALRUS, EACH500

(J) [(M)] Wolf, each.....175 [150]

(K) [(N)] Wolverine, each.....175 [150]

(L) [(O)] Musk oxen, each.....1,100

* Sec. 11. AS 16.05.340(a)(18) is amended to read:

(18) Game farming:

(A) Game mammal or game reptile farming biennial license.....\$250 [200]

(B) Game bird farming biennial license.....50 [20]

* Sec. 12. AS 16.05.340(a) is amended by adding new paragraphs to read:

(19) Nonresident small game hunting license.....20

(20) Nonresident alien hunting license.....300

A nonresident alien may not take a big game animal without previously purchasing a numbered, nontransferable, appropriate tag, issued under (21) of this subsection. The tag must be affixed to the animal

immediately upon capture and must remain affixed until the animal is prepared for storage, consumed, or exported. A tag issued but not used for an animal may be used to satisfy the tagging requirement for an animal of any other species for which the tag fee is of equal or less value.

(21) Nonresident alien big game tags:

- (A) Bear, black, each.....\$300
- (B) Bear, brown or grizzly, each.....650
- (C) Bison, each.....650
- (D) Caribou, each.....425
- (E) Deer, each.....200
- (F) Elk, each.....400
- (G) Goat, each.....400
- (H) Moose, each.....500
- (I) Musk oxen, each.....1,500
- (J) Sheep, each.....550
- (K) Wolf, each.....250
- (L) Wolverine, each.....250

(22) Chitina personal use salmon dip net fishing permit
.....10

* Sec. 13. AS 16.05.340(c) is amended to read:

(c) The commissioner may issue a duplicate license or a duplicate tag as a replacement for a license or tag issued under (a) of this section. A fee of \$5 [\$2] shall be charged for each duplicate license or tag; however, a fee of \$2 shall be charged for each duplicate of reduced fee license issued to an indigent or low income person under (a)(6) of this section. The [AND THE] duplicate license or tag may [SHALL] not be issued unless the commissioner or a delegate is satisfied that the original has been lost or destroyed. [THIS

SUBSECTION DOES NOT APPLY TO A 25-CENT LICENSE ISSUED UNDER (a)(6) OF THIS SECTION.]

* Sec. 14. AS 16.05.940(25) is amended to read:

(25) "resident" means a person who for the preceding 12 consecutive months has maintained a permanent place of abode in the state and who has continually maintained a voting residence in the state; and in the case of a partnership, association, joint stock company, trust, or corporation, "resident" means one that has its main office or headquarters in the state; however, a member of the military service who has been stationed in the state for the preceding 12 consecutive months is a resident for the purposes of this paragraph, and the dependent of a resident member of the military service, who has been living in the state for the preceding year is a resident for the purposes of this paragraph; [,] and a person who is an alien but who for one year has maintained a permanent place of abode in the state is a resident for the purposes of this paragraph;

* Sec. 15. AS 16.43.170(a) is amended to read:

(a) Except as provided in AS 16.10.333 - 16:10.338 and in AS 44.81.230 - 44.81.250, entry permits and interim-use permits are transferable only through the commission as provided in this section and AS 16.43.180 and under regulations adopted by the commission. An involuntary transfer of an entry permit in a manner inconsistent with the statutes of this state and the regulations of the commission is void.

* Sec. 16. Section 15 of this Act takes effect immediately under AS 01.10.070(-).

* Sec. 17. Except for sec. 15 of this Act, this Act takes effect January 1, 1991.

Attachment A

SB 493 cont'd

Letter of Intent

COPY

CS FOR SENATE BILL NO. 493 (FINANCE)

The Finance Committee has adopted a committee substitute for CSSB 493 (Finance) which takes a different approach to compensating the reconstituted mental health trust for the use of its land from the approach taken in the committee substitute adopted by the Natural Resources Committee. Instead of basing the compensation on an arbitrarily selected value for the original one million acre land grant as in the Natural Resources Committee substitute, the Finance Committee substitute dispenses with a compensation formula based on valuing the original grant and simply establishes a guaranteed income stream for the mental health trust by annually allocating a fixed percentage of the state's unrestricted general fund revenues to the mental health trust income account.

In adopting this approach, the Finance Committee was guided by the following considerations;

(1) in chapter 48, SLA 1987, the legislature enacted a framework for settlement of the mental health trust controversy;

(2) under chapter 48, it was contemplated that (i) the state and the plaintiffs and interveners in the mental health trust land litigation, Weiss v. State, 4FAO-82-2208, would reach consensus on the value of the original one million acre mental health land grant, (ii) the original mental health land not in legislatively designated areas (e.g., parks, game refuges, etc.) would be exchanged for equal value general grant land in such areas, (iii) the original mental health land and the equal value exchange land in those areas would constitute the mental health trust corpus which the state would lease from the trust for eight percent of its fair market value per year, and (iv) the original mental health land not in legislatively designated areas would be removed from trust status;

(3) the state and the plaintiffs and interveners in the Weiss case have been unable to reach consensus on the procedures to be used to value the original one million acre land grant and the pool of potential exchange land, the plaintiffs

SB 493 cont'd

and interveners arguing that procedures producing a value of \$3.243 billion should be used and the state arguing that procedures producing a value of \$565.7 million should be used;

(4) this impasse over valuation may lead to continued costly, time-consuming, and divisive litigation over land issues, matters having nothing to do with the state's mental health program, leading to all of the adverse consequences noted by the legislature in subsections 1)(14)-1(a)(17) of chapter 48;

(5) while the legislative findings in chapter 48 are still true, the potential for continued costly, time-consuming, and divisive litigation over the value of the original one million acre grant, a matter having nothing to do with the state's mental health program, makes it no longer in the best interest of either the trust or the public to try to resolve the mental health trust controversy by determining the value of the original grant;

(6) instead, it is in the best interest of both the trust and the public to resolve the mental health trust controversy by reconstituting the mental health trust corpus as contemplated in chapter 48 but, instead of attempting to determine a rental value for the reconstituted corpus based on fair market value, a goal which cannot be achieved by consensus, compensating the trust for the use of the reconstituted corpus throughout the establishment of a permanent mental health trust income account into which five percent of the state's unrestricted revenue is allocated annually, and from which the legislature must first appropriate funds to meet the necessary needs of the state's mental health program; and

(7) annually allocating five percent of the state's unrestricted general funds in perpetuity will fairly compensate the mental health trust for the loss of its land because (i) even the most aggressive management of the land for the purpose of generating revenue cannot be guaranteed to generate any given amount of funds, (ii) the dedication of five percent of the state's unrestricted revenues to the mental health trust income account will provide greater predictability in the amount of funds available in that account annually, (iii) there will be no administrative expenses associated with generating funds for the

5/6/90 pm

Attachment 19

SB 493 cont'd

account, as there would be if funds had to be generated for the account through aggressive management of the land for that purpose, and (iv) the average per acre earnings for trust lands in other states in fiscal year 1988 was \$8.97, the highest per acre earnings (in the State of Washington because of its prime and easily accessible timber land) was \$45.68, and the dedication of five percent of the state's unrestricted revenue will result in per acre earnings of approximately \$125 per acre for the mental health trust in fiscal year 1991.

The purposes of the Finance Committee substitute for CSSB 493 (Finance) accordingly are:

- (1) to accomplish the purposes of chapter 48, SLA 1987, as set out in subsections 1(b)(1)-1(b)(7) of this Act; and
- (2) to establish, as full and complete compensation to the trust, and to "obtain," as that term is used in section 202(a) of the Alaska Mental Health Enabling Act, a permanent allocation of five percent of the state's unrestricted revenues from the general fund to the mental health trust income account.

Senator Binkley, Co-Chair, and Senators Frank and Pearce signed "do pass." Senator Uehling, Co-Chair, and Senators Duncan, Zharoff, and Fischer signed "no recommendation."

SENATE BILL NO. 493 was referred to the Rules Committee.

SB 517

The Finance Committee considered SENATE BILL NO. 517 (An Act relating to initiative and referendum elections in home rule municipalities) and reports it back without recommendation. Senators Binkley and Uehling, Co-Chairs, and Senators Duncan and Zharoff signed "no recommendation." Senators Fischer, Pearce and Frank signed "do not pass."

Previous zero fiscal note.

5/6/90 pm

SB 517 cont'd

SENATE BILL NO. 517 was referred to the Rules Committee.

HB 10

The Labor and Commerce Committee considered CS FOR HOUSE BILL NO. 10 (HESS) am (An Act relating to forgiveness of student loans of certain health care professionals, to taxation of student loans, and to student financial assistance; and providing for an effective date) and a majority of the committee recommended it be replaced with

SENATE CS FOR CS FOR HOUSE BILL NO. 10 (L&C)

and do pass. The report was signed by Senator Eliason, Chair, and concurred in by Senators Coghill, Faiks and Rodey. Senator Kerttula signed "no recommendation - we need to provide an equal program for all Alaskan college students."

Fiscal notes published today from Department of Health and Social Services and Alaska Commission on Postsecondary Education.

CS FOR HOUSE BILL NO. 10 (HESS) am was referred to the Finance Committee.

HB 53

The Judiciary Committee considered CS FOR HOUSE BILL NO. 53 (Judiciary) am (An Act relating to the privilege to drive, driver licensing, driving while intoxicated, and other procedures and matters related to driving and operating aircraft and watercraft and the revocation of driving privileges; amending Alaska Rules of Appellate Procedure 603 and 611(d); and providing for an effective date) and recommended it be replaced with

SENATE CS FOR CS FOR HOUSE BILL NO. 53 (Judiciary)

and do pass. The report was signed by Senator Faiks, Chair, and concurred in by Senators Szymanski, Malford, Rodey and Pearce.

Zero fiscal notes published today from Department of Public Safety and Department of Corrections.

DIVISION OF SPORT FISH

<u>PROJECT</u>	<u>LOCATION</u>	<u>SCHEDULE</u>	<u>EST. COST (X 1000)</u>
Strengthen Management Capability	Interior/SC	Long-term	400/yr
Aquatic Education Program	Statewide	Long-term	75/yr
Sport Fishery Matching Grant Prgm.	Statewide	Long-term	250/yr+
Fisheries Mgt. Plan Development	Statewide	5 years+	100/yr
Improved Research Design & Data Mgt.	Statewide	Long-term	75/yr
Coho Research (4 areas)	SE	Long-term	160/yr
Chinook Research (Nahlin R)	SE	Long-term	60/yr
Charter Boat Logbook	SE	3 years	45/yr
Rainbow Trout Enhancement-Ketchikan	SE	Long-term	66/yr
Steelhead Enhancement-Juneau	SE	Long-term	40/yr
Steelhead Enhancement-Sitka	SE	Long-term	30/yr
Coho Enhancement-Sitka	SE	Long-term	10/yr
PWI Lake Surveys	SE	2 years	41/yr
PWI Marine Creek	SE	Long-term	61/yr
Cutthroat Trout Studies-Ketchikan	SE	3 years	43/yr
Steelhead Studies (4 areas)	SE	3 years	98/yr
Florence Lake Cutthroat Studies	SE	2 years	54/yr
Susitna River Coho Studies	SC	Long-term	381/yr
Kenai River King Mortality Studies	SC	2 years	98/yr
Willow Creek Weir	SC	Long-term	47/yr
Kenai River Coho Sonar	SC	Long-term	70/yr
Little Susitna King Mortality Studies	SC	Short-term	32/yr
Stock Separation Analysis	SC	Long-term	35/yr
Anchorage Areas Salmon Enhancement	SC	Long-term	35/yr
Karluk Steelhead Studies	SC	Short-term	61/yr
Tebay Rainbow Trout/Steelhead Studies	SC	Short-term	38/yr
PWS Cutthroat Studies	SC	4-5 years	25/yr
Bristol Bay Lake Trout Studies	SC	4-5 years	42/yr
Susitna River Northern Pike Studies	SC	4-5 years	35/yr
Resurrection Bay Groundfish Studies	SC	4-5 years	16/yr
North Slope Lake Trout Studies	Interior	5 years	38/yr
Kobuk Northern Pike Studies	Interior	5 years	52/yr
Tok Northern Pike Studies	Interior	5 years	48/yr
Tok Lake Trout Studies	Interior	2 years	40/yr
Tok Grayling Studies	Interior	5 years	32/yr

Recently, an unanticipated need for state funds has emerged. Contrary to earlier predictions, the amount of Dingell-Johnson (D-J) funds available for sport fish programs in Alaska is projected to increase and may continue to increase over the next few years. These federal funds make up a significant part of our budget. However, D-J funds must be matched with at least 25 percent state funds, and sufficient state dollars may not be available from the fish and game fund in the upcoming years. If D-J appropriations increase as projected or if matching general funds currently utilized by the Divisions of FRED and Habitat are reduced, we will be facing the dilemma of having federal funds available for recreational fisheries programs that the state will, in essence, have to decline for lack of matching fish and game funds.

DIVISION OF WILDLIFE CONSERVATION

<u>PROJECT</u>	<u>LOCATION</u>	<u>SCHEDULE</u>	<u>ESTIMATED COSTS (X 1000)</u>
Marten research	GMU 4	5 years	56.0/yr
Increase goat surveys	GMU's 1, 5	Annual	9.0
Expand moose survey and inventory work (S&I)	GMU's 1, 5, & 20	Annual	35.0
Expand deer S&I	GMU's 1, 3, 4, 6, & 8	Annual	31.0
Increase caribou censuses	GMU's 7, 9, 10, 11, & 13-15	Annual	24.0
Increase monitoring of factors affecting caribou carrying capacity	GMU's 7, 9, 11, 13, 15, & 17	Annual	14.0
Increase moose censuses	GMU's 7, 9, 11, 13-16, & 20	Annual	70.0
Expand moose research center work--optimum carrying capacity and bull: cow ratios	GMU 15; state-wide application	Annual	12.0
Improve moose survey techniques	Statewide	5 years	35.0/yr
Research goat/logging relationships	GMU 6	2 years	33.0/yr
Regional furbearer biologists	Interior & Southcentral	Annual	125.0*
Increase wolf S&I	GMU's 11-26	Biennial	32.0
Expand furbearer S&I (e.g., lynx, marten, wolverine)	GMU's 6, 7, 9, 13-17, & 19-21	Annual	48.0

<u>PROJECT</u>	<u>LOCATION</u>	<u>SCHEDULE</u>	<u>(X 1000)</u>
Improve lynx and wolverine techniques	Stateside	5 years	30.0/yr
Increase sheep surveys	GMU's 7, 11-16, 19, & 20	Biennial	25.0
Elk censuses	GMU 8	Annual	4.0
Moose habitat enhancement and evaluation	GMU's 1, 5, 7, 12, 14, 15, & 20	5 years	160.0/yr
Increase field presence and law enforcement	Statewide	Annual	45.0
Predator-prey research and expand S&I	GMU 13	Annual	125.0*
Mentasta caribou herd calf mortality study	GMU 11	One time	50.0
Southern AK Pen. caribou calf mortality study	GMU 9	One time	65.0
Wildlife enhancement and fire management coordination	Interior & Southcentral	Annual	140.0*
Test infra-red bear census technique	GMUs 8, 9, & 17	One time	12.0
Initiate public cabin use program on selected refuges	GMUs 14 & 16	Annual	100.0-1st yr; 25.0/yr
Special Areas manager	GMUs 6, 8, 9, & 14-16	Annual	65.0*
Increase caribou S&I harvest management plans	GMUs 19, 20 & 20	Annual	15.0
Research on grizzly bear population dynamics	GMU 22	3 years	15.0/yr
Expand muskoxen S&I	GMUs 18, 23 & 26	Annual	28.0

<u>PROJECT</u>	<u>LOCATION</u>	<u>SCHEDULE</u>	<u>(X 1000)</u>
Tule white-fronted goose nesting and production surveys	GMUs 9, 16	3 years	35.0/yr
Maintain citizen participation in predator/prey management planning	Statewide	Annual	15.0
Conduct bison summer range habitat evaluation	GMUs 11, 19 & 20	Annual	8.0
Increase interaction with advisory committees	Statewide	Annual	45.0
Reinstate full-time asst. area biologists in Palmer and King Salmon	GMUs 9, 10, 14, & 16	Annual	60.0
Upgrade quality and expand content of regulation booklets	Statewide	Annual	18.0
Expand development of operational management plans	Statewide	Annual	25.0
Public annual report of division activities to better inform public of division programs	Statewide	Annual	12.0
Expand hunter education program via TV network: curriculum and instructor training videos	Statewide	Annual	65.0 1st year; 5.0/yr
Determine economic value of Alaska's wildlife	Statewide	4 years	125.0/yr
Upgrade wildlife infor- mation data base	Statewide	4 years	20.0/yr

*Requires new positions

CSHB 124

OVERVIEW

RECEIVED MAY 7 1990

Original Sponsor: Governor

Passed the House 30 to 10 on April 26

Related legislation: A bill to increase the low income license (SB 30) to \$5 is awaiting the Governor's signature. It passed the Senate 17 to 1 and passed the House 30 to 9. Enactment will generate 138.0 in revenues to the Department of Fish and Game (ADF&G) in FY 92.

The Senate Resources Committee considered CSHB 124 on May 2. As presented to the committee, the bill would generate nearly \$4 million (3,914.7) to the Fish and Game Fund.

The Alaska Board of Game endorsed and supported this legislation in letters to the Senate President and the House Speaker. The National Wildlife Federation, on behalf of its 8,000 Alaskan affiliate members, supports the bill, as does the Southcentral Regional Council. ADF&G has worked closely with the Alaska Outdoor Council in developing much of the language for CSHB 124. The Outdoor Council recognizes the need for additional revenues to the Fish and Game Fund.

It has been nearly 15 years since license fees were adjusted in Alaska. Some states have provisions for automatic adjustments in license fees tied to cost of living increases. If Alaska's resident fees had simply kept pace with the Anchorage CPI since 1977, the fees charged today would be higher than originally proposed in the Governor's bill. For example, the Governor's bill proposed to change the resident sport fishing license fee from \$10 to \$15. If the sport fishing license had been adjusted to keep pace with the CPI, today's cost would be over \$18; three dollars more than the department originally proposed.

The Senate Resources Committee version of the bill would reduce revenues to the department by nearly \$2 million. It would do so by deleting all proposed increases in resident fees while at the same time implementing increased fees for nonresidents.

Under the existing fee system a resident hunting license costs less than a box of twenty cartridges for a .300 Magnum rifle. At a time when costs to the department for aircraft time, boat charters, equipment, and personnel have risen, the revenues generated for the Fish and Game Fund have not kept pace. The Division of Sport Fish may soon face the possibility that it will not be able to match available federal funding.

After the department agreed to assume the license sales program which had been funded with General Fund money and administered by the Department of Revenue, a decision was made to pay for much of the administration of the program from the Fish and Game Fund, thus cutting more than \$390.0 from money formerly allocated for field projects.

Given today's pressures on budgets, along with the fact that these license fees have remained the same since 1977, the department feels an increase in all license fees is reasonable. There is a steadily growing list of projects demanded by hunters and fishers that the department simply cannot do without additional funding.

THREE BASIC PROVISIONS

First, CSHB 124 will permit the ADF&G to make available certain merchandise items identified with the department as a means to generate revenues. Nearly all similar state agencies engage in such programs to benefit nongame and educational programs. At the national level, several federal agencies, including BLM, the Fish and Wildlife Service, National Park Service, and others have signed an MOU aimed at supporting "watchable wildlife" programs in the states. Many states have already developed such

programs, and a portion of the funding for them is generated through the sale of department-identified items. Generally, it is not a major fundraiser.

Second, the main intent of CSHB 124 is to bring the state's license fees more in line with those charged in other states. The Legislature has already increased the low income license from 25 cents to \$5. It had remained at 25 cents since statehood. Other fish and game agencies in the western United States which face the same funding crunch confronting ADF&G have continually increased their fees. A list of resident fishing license fees for all states is attached.

Example:

For a resident to hunt deer the cost is:

Alaska	\$12
Alberta	\$28
British Columbia	\$27
Nevada	\$30

These fees are per animal, whereas in Alaska the single \$12 license covers a variety of big game species. In theory, an Alaskan resident can shoot several deer, a moose, caribou, small game, sheep, etc., on one \$12 license, plus permit application fees where applicable.

For nonresidents to hunt deer the cost is:

Alaska	\$195
Alberta	\$178
British Columbia	\$178
Montana	\$200

Nevada

\$210

In an effort to assist the charter boat and recreational fishing industry, CSHB 124 incorporates a one-day fishing license for \$10. Many visitors only want to fish for one day. The bill also contains a broader selection of licenses for both resident and nonresidents so that recreational hunters and fishers do not need to buy more than they need. For example, a small game license will only cost \$15 for those who do not intend to hunt big game. At the request of a sportsman group, a special permit fee is established for the Chitina Dip Net fishery.

Third, Section 23 of the bill adds language to protect limited entry permit holders from involuntary transfer of limited entry fishing permits. The Commercial Fisheries Entry Commission is prepared to testify on the importance and effect of this language.

USE OF THE PROCEEDS

Passage of CSHB 124 will provide the revenues needed to implement a long list of projects planned by the Divisions of Sport Fish and Wildlife Conservation. These added receipts to the Fish and Game Fund will allow ADF&G to continue to match available federal money.

While some members of the outdoor public may disagree with ADF&G on certain policies from time to time, there appears to be broad consensus that the department needs the additional revenues which would be generated by passage of CSHB 124.

EFFECTIVE DATE

The increases in license fees will not take effect until January 1, 1991.

Sport Fishing Institute
1990 License Survey

Resident License Fees - Sport Fish

Alabama	\$ 9.50	Nebraska	\$ 11.50
Alaska	10.00	Nevada	15.50
Arizona	9.50	* New Hampshire	17.25
Arkansas	10.50	New Jersey	12.25
* California	20.50	New Mexico	8.50
* Colorado	15.00	New York	9.50
Connecticut	9.00	North Carolina	15.00
Delaware	9.00	North Dakota	9.00
* Florida	12.00	* Ohio	12.00
Georgia	7.50	Oklahoma	10.25
Idaho	11.00	* Oregon	14.00
Illinois	7.50	Pennsylvania	12.00
Indiana	8.75	Rhode Island	9.50
Iowa	8.50	South Carolina	10.00
Kansas	13.00	South Dakota	5.00
Kentucky	8.50	* Tennessee	15.50
Louisiana	5.50	Texas	8.00
Maine	16.00	Utah	18.00
Maryland	8.00	Vermont	10.00
Massachusetts	12.50	Virginia	12.00
Michigan	9.85	Washington	14.00
Minnesota	12.00	West Virginia	11.00
Mississippi	4.00	Wisconsin	9.10
* Missouri	8.00	Wyoming	7.50
Montana	11.00		

* denotes state has raised resident fee since 1989.

In addition to the basic resident fee, many states require additional stamps or fees, adding from \$5 to \$15 to the license. For example, while the resident fishing license fee for the state of Washington is \$14, in addition a sport fisherman could buy a steelhead permit (\$15), a salmon fishing stamp (\$3), a clam license (\$2.50), and also pay an "issuance fee" of \$1. Thus, an angler's total cost to participate in these fisheries would be \$35.50, as opposed to the proposed \$15 in Alaska.

Senate Resources
Letter of Intent
4/30/90
Section 23, CSHB 124 (Rules)

It is the intent of the legislature to amend AS 16.43.170(a) as set forth in Section 23 of CSHB 124 (Rules) in order to reiterate, emphasize, and clarify the original intent of the legislature in adopting the Limited Entry Act of 1973, AS 16.43.010--990.

Alaska's limited entry system is the product of years of effort by the State beginning in 1961. Two previous attempts by the legislature to establish the means to limit entry into Alaska's fisheries failed as the result of legal challenges.

The Alaska legislature persisted, however, because Alaska's salmon fisheries were experiencing a long and threatening decline, while the number of participants continued to increase substantially, which resulted in more and more fishing pressure on a diminishing resource. A limited entry system was the only means by which the State could control a critical variable in the management of its fishery resources: the number of fishermen participating in a given fishery.

Following action by the legislature, in 1972, Alaska voters approved an amendment to Article VIII, Section 15 of the Alaska Constitution, which authorized:

the State to limit entry into any fishery for purposes of resource conservation, to prevent economic distress among fishermen and those dependent upon them for a livelihood and to promote the efficient development of aquaculture in the State.

Building upon this constitutional foundation, in 1973, the Alaska legislature adopted the Limited Entry Act, which has resulted in the largest limited entry program of its kind in the United States. Limitation of entry into all twenty-six of Alaska's salmon fisheries followed shortly. During 1976, by referendum, the voters of Alaska again supported limited entry by a margin of almost two-to-one. Today, some forty-six of Alaska's fisheries are under limitation.

As a food source important to Alaskans and the world, Alaska's fisheries are without question one of its most important renewable resources. Alaska's fisheries employ a substantial segment of the State's population, and many remote communities rely upon commercial fishing as their primary economic base. Therefore, sound management of its fisheries is crucial to the

State of Alaska, and limited entry is an important part of the State's management system.

Extensive biological, economic, historic, and cultural data and analyses have been generated to aid the development, enactment, and review of entry limitation in Alaska. (A partial bibliography is set forth in Appendix A.) Thousands of hours of hearings throughout the State and before the legislature have informed the choices made in shaping Alaska's limited entry system. Alaska's courts have carefully scrutinized the program and developed a body of law governing limited entry in Alaska that is both extensive and unique. (A partial list of cases decided by the Alaska Supreme Court set forth in Appendix B.)

In addition to direction and support from the legislature and the courts, Alaska's limited entry program has functioned only through the continuing cooperation and support of the Governor of Alaska, the Alaska Departments of Fish and Game, Law, Revenue, Administration, Commerce, and Public Safety, together with that of private citizens, economists, lawyers, scientists, processors, and, particularly, fishermen.

Under AS 16.43.140, no commercial fisherman may operate fishing gear in a limited fishery without an entry permit. The Alaska Commercial Fisheries Entry Commission (CFEC) issues entry permits and administers the program. The entry permit is the critical element of the system and, to an Alaskan fisherman, an entry permit is a legally required tool of his trade. In establishing limited entry and considering the needs of the State and its citizens, the Alaska legislature gave careful consideration to the nature of an entry permit and the privileges that a permit would extend to its holder.

In enacting a limited entry system, if the legislature had been committed only to simplicity and economy, it could have authorized auctioning of a limited number of property rights to its fisheries. The legislature rejected this approach, because it would not have been consistent with the State's most important objectives in establishing a limited entry system.

The legislature recognized that, for the purpose of conservation, the State needed to retain control of its fishery resources. Looking ahead, the legislature wished to ensure that privileges extended through an entry permit could be revoked or modified as necessary and without compensation. Furthermore, to ensure compliance with laws and regulations governing its fisheries, privileges extended must be conditioned upon compliance with those requirements. At the same time, the legislature believed that, in view of the substantial reliance on their fisheries by fishermen and those dependent upon them, privileges should be extended only to qualified, individual fishermen who could demonstrate their dependence.

While recognizing the importance of limiting and controlling fishing privileges, the legislature also intended to provide individual fishermen with a sufficient stake in their fisheries that they would be more likely to have a personal commitment to conservation and enhancement of those fisheries. In recognition of the fact that fishermen, their families, and, in many cases, entire communities, depended upon access to their fisheries for their basic welfare, the legislature believed that any privileges extended should be protected from forced and intemperate transfers. At the same time, because, necessarily, only a limited number of privileges would be extended, the legislature wished to ensure that the State would be reasonably compensated by regular permit fees. Finally, the legislature wished to restrain the unnecessary growth of State bureaucracy.

Among other considerations, the resulting Limited Entry Act and its implementation by CFEC have defined and regulated entry permits in a manner designed to reach these legislative objectives.

The legislature declared that an entry permit and the privileges it carried would not be the property of its holder. AS 16.43.150(e) provides that an entry permit is merely:

a use privilege which may be modified or revoked by the legislature without compensation.

An entry permit must be renewed annually, and is subject to forfeiture if not renewed for two years. The holder must pay an annual renewal fee established by CFEC based upon "the different rates of economic return for different fisheries." AS 16.43.160(b).

The legislature required CFEC to issue permits only to fishermen applicants who needed the permits the most. Only an individual, and not a vessel nor an organization of any kind, may receive an entry permit.

Under AS 16.43.250, CFEC ranks applicants for entry permits for a particular fishery "according to the degree of hardship which they would suffer" by not receiving a permit from the State. AS 16.43.250 provides the following standards for measuring hardship:

(1) degree of economic dependence upon the fishery, including, when reasonable for the fishery, the percentage of income derived from the fishery, reliance on alternative occupations, availability of alternative occupations, investment in vessels and gear;

(2) extent of past participation in the fishery, including, when reasonable for the fishery, the number of years of participation in the fishery, and the consistency of participation during each year.

From the statute, and further derived from extensive biological, economic, and other data, CFEC has developed a series of intricate point systems for the purpose of ranking the degree of hardship individual denied applicants would suffer. 20 AAC 05.600--20 AAC 05.742. Each applicant who would suffer significant hardship by denial is entitled to a permit, even if the maximum number of permits for a given fishery would be exceeded thereby. AS 16.43.270(a). To support the State's conservation goals and to recognize some historic and cultural fishing patterns, the system has never rewarded nor encouraged high individual production.

Although permits do not constitute property belonging to their holders, the legislature, subject to control and approval by CFEC, authorized holders to transfer their permits. Doing so advanced several of the State's objectives. Among other considerations, by not interrupting a holder's use of his entry permit and further authorizing the fisherman to transfer his permit, the fisherman and those dependent upon him held the means to continue their access to the fishery and their livelihood. Additionally, by not cutting off the fisherman's interest (as would have been the case through a lottery or reversion and reissue system) the holder was granted a sufficiently long-term privilege in the fishery so as to be encouraged to both conserve and enhance the fishery resource. Finally, by not requiring the State to select who would be a subsequent recipient of the privilege, the legislature avoided generating an additional and unnecessary State bureaucracy.

Consistent with its grant of only a privilege, the State through CFEC, retained control over all transfers. A permit holder may transfer his permit only upon approval by CFEC. AS 16.43.170. To ensure against intemperate transfers, the legislature requires a 60-day waiting period before a permit may be transferred. A fisherman may revoke an agreement to transfer any time during this 60-day period. A number of legal requirements must be satisfied before CFEC will approve a transfer. AS 16.43.170; 20 AAC 05.710.

Generally, AS 16.43.150(g) prohibits involuntary transfer requiring that an entry permit may not be "attached, distrained, or sold on execution of judgement or under any other process or order of any court." Additionally, a fisherman may not pledge his entry permit as security for a debt. (The legislature recognized that the absence of a property right might impair a