

ALASKA LEGISLATURE COMMITTEES 1981-1982 8672

1856 HRES SB 275 - SB 731

1856

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CS 2nd ESSB 275

Title Relating to the Compensation of Persons Collecting Hunting and Fishing License and Tag Fees Date 1/2/83

II. FISCAL DETAIL

Agency Affected Revenue

Program Category Affected General Government

BRU, Program, or Subprogram(s) Affected Administration & Support, Fish & Game Div.

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
GENERAL FUND	-0-	(214.0)	(224.0)	(230.0)	(239.0)	(244.0)
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
FULL TIME						
PART TIME						
TEMPORARY						

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

The growth in licenses and tags issued is 15% per year. The estimates of cost to the General Fund shown above are based upon 362,751 license and tag transactions for calendar 1982 realized at 15%. The FY83 cost is projected at one-half the calendar year estimate. In addition, there are 100 licensing agents who handle less than 50 transactions per year and who would be compensated at the \$40 minimum rate.

IV. DATE February 1, 1983

PREPARED BY [Signature]

AGENCY Revenue

PHONE 457-5500

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

275

# MEMORANDUM

# State of Alaska

*June 22, 81*  
*mm*

TO: Joseph K. Donohue  
Deputy Commissioner - Taxation  
Department of Revenue

DATE: March 27, 1981

FILE NO:

TELEPHONE NO: 465-2313

FROM: Philip A. Wall, Director *PAW*  
Division of Administrative Services  
Department of Revenue

SUBJECT: Sport Fish and Game  
Licensing RE: Vendor Fees

We have, over the years, received very few complaints in the Sports Fish and Game Licensing Vendor area. AS 16.05.390 allows each vendor to keep 5 percent or .25 cents (whichever is larger), of each license, tag or permit sale. The number of vendors was tightly controlled until, 1977 with about 300 vendors appointed statewide at that time. De-control in 1978 has resulted in there being over 500 vendors appointed today. Concerns about the vendor and Licensed Guide relationships resulted in Regulations 15 AAC 30.010.020 being promulgated into the Alaska Administrative Code on December 2, 1978.

## SEEDS OF CHANGE

However, last September, license vendor Elden Sandvik of Palmer wrote expressing concern about the volume of paperwork and the low vendor fee. Senator Kertulla wrote, about Mr. Sandvik's letter, in November. Attachment 1 contains all the related correspondence.

In further action Senator Kertulla introduced SB 275 on March 12, 1981, which increases the vendor fee from 5 to 25 percent. (See Attachment 2).

SB 275 gives rise to several questions. The Fish and Game Fund was established as a dedicated fund by Article I, Section 17, Chapter 94, SLA 1959. Footnotes under its present location as AS 16.05.110 show that the "dedication under this section was created subsequent to the date of the ratification of the Alaska Constitution, Article IX, Section 7; hence there was not protection for the fund under the grandfather clause. However, the fund was protected by the fact that federal law requires dedication of fishing and hunting licenses". 1959 Opinions of the Attorney General No. 14. (See Attachment 3). This Opinion, and others (1959 No.'s 7 and 9) also points out that "existing dedications may be continued but may not be revised upward or downward by means of altering the tax, the rate of dedication or the purpose for which the dedication will be used. No action of the Legislature is permissible which would (1) tend to increase or decrease the percentage of the total tax and license proceeds which are dedicated, or (2) which would tend to increase or decrease the amount of proceeds which are dedicated." There are other footnotes following Article IX, Section 7 of the Alaska Constitution.

So questions arise as to whether SB 275 will accomplish an increase in vendor fees. From another view it appears that an increase in vendor fees may not be a meaningful solution. Perhaps remuneration for the administrative effort and time would be more satisfactory.

Others are also suggesting changes which effect vendors. The Fish and Wildlife Protection Division wrote the Board of Fisheries about communication and procedural problems. (See Attachment 4). This missive suggests that improvement to forms, handling of supplies and better control is needed. A regional office to serve vendors is also suggested. Board Member Chris Goll, who is also a vendor, discussed these suggestions with Sport Fish Director Rupe Andrews and myself on January 23, 1981. This meeting considered the effect upon vendors of de-control and increase in administrative requirements. Mr. Goll and Director Andrews emphasized the need for Revenue to provide vendor service at the regional level.

The Division of Sport Fish wrote in January expressing ideas to change and hopefully simplify harvest record reporting. (See Attachment 5). The memorandum expressed the concept of adding the harvest record to the back of the Sport License. The change will have both positive and negative effects upon the vendor.

The vendor system itself shows the strain of growth and changing conditions. Twenty years ago vendors dealt with most customers on a first name and cash basis. Growth has resulted in a more impersonal relationship and a check method of paying for licensing services. As a result the banking requirements have a more difficult procedure with substantial increases on returned items, delinquent accounts and overall accounting. Fish and Game laws are much more complicated. Explanations and response to license questions requires more time. Vendor numbers have a faster growth factor than the population - there is more competition.

The result is lowering of the accuracy of licensing information and a longer period of time before license information and money is sent to the Fish and Game Licensing Office.

#### A FINGER IN THE DIKE

We have been evaluating the effect of vendor de-control. About a year and a half ago a systems analyst was assigned to review and make recommendations on the Fish and Game Licensing System. A Description of the Present System was completed on April 7, 1980 (See Attachment 6) and Conceptual Design for Improvement of the present system was completed on July 30, 1980 (See Attachment 7). This assignment was substantially delayed during the year as the Systems Analyst was intermittently assigned to the Permanent Fund Dividend and Tax Rebate Systems. However, the supply and inventory portion of the conceptual design was approved for detail design and ultimately this part of the system became operational during December. It provides a computer assisted control over inventory as assigned to vendors. Held in abeyance due to the Special Project assignments were the enlarging of the conceptual design to include all the system inter-relationships and the requirements of the licensing part of the system to meet the needs of all users. And, of course, the licensing computerization was held pending the enlarged conceptual work.

#### THE BATTLE WITH THE SFA

It became apparent, about the beginning of calendar 1981, that special emphasis was required to meet the needs in Fish and Game Licensing. More holes were appearing in the dike. The accounting activity was consistently behind. Money

was not being processed quickly and the Systems Analyst gave notice of leaving. On January 23, 1981, a contract was signed with Computer Management Services Inc. (CMSI) to document the present status of the Fish and Game Licensing System. (See Attachment 8). The purpose of this effort was to set the status basis so that the expanded conceptual design could be done. The product was completed on schedule in March, 1981, (See Attachment 9). The contractor's proposal for doing the next step, has resulted in a second contract for the expanded conceptual design. This contract was approved to begin on March 23, 1981, (See Attachment 10) the product is due April 10, 1981, and will provide alternatives for meeting user needs. This product will be discussed with all users and the degree of their financial participation determined for further work on the system.

#### THE VENDOR SCENE

A review of the vendor situation discloses the following:

1. AS 16.05.390 authorized the vendor fee for issuance of sport licenses, tags and permits. The law, which allows the vendor to keep the fee and remit the net receipts was enacted as Section 6, Article II, Chapter 94, SLA 1959. Amendments occurred in 1960, 1962, 1963 and 1976. Attachment 11 defines the vendor fees.
2. Attachment 11 also shows the licenses, tags and permits sold by vendors. There has been no change in the percentage fee the vendor is allowed to keep since inception of the program. Gross Receipts in FY80 were \$5,100,417.08. Vendors kept \$244,555.32 (.048%) and sent a net of \$4,855,861.76 to the Department of Revenue.
3. There is no longer a tag for Glacier Bear (repealed by Chapter 268, SLA 1976). A number of licenses, tags and permits are not sold by vendors (i.e., Fur Dealer, Taxidermy, Fish/Fur/Game Licenses, Licenses to the Blind, Hunts by Permit, Musk Ox Tags and Guide Licenses. Guide Licenses have been handled by the Department of Commerce, Occupational Licensing Since 1974).
4. There is a substantial amount of activity by the vendor for which there is no remuneration. Each vendor is provided with an Instruction Manual detailing the requirements for sale of licenses and submission of monthly collection reports. They receive no remuneration for the time involved in reading the manual and training their sales clerks. Neither are they compensated for the time spent banking daily receipts or preparing the monthly reports. Each vendor is accountable for the proper handling and control of the following materials:
  - a. License book including 17 classes of licenses
  - b. Affidavit for Military, Duplicate, and 25¢ Licenses
  - c. License Application
  - d. 12 Nonresident Big Game Tags with Big Game Record
  - e. Resident Brown/Grizzly Bear tag with Big Game Record
  - f. King Salmon/Steelhead Permit with Application
  - g. Monthly Collection Report
  - h. Application for Senior Citizen License

- i. Harvest tickets for 4 species of big game (these are distributed by ADFG with vendors receiving 15¢ for each one completed if they return them timely.)
- j. King Salmon Punch Cards (Cook Inlet area only. These are distributed by ADFG).
- k. Regulation books for hunting, trapping and sport fishing.
- l. Applications for permit hunts.

Each vendor is held responsible for all materials serially numbered which represent money and for the correction of any errors made in issuing the licenses. They must return all unissued licenses, tags, and permits at the end of each year for audit purposes. In addition, the public tends to regard each agent as an expert in fishing, hunting, and trapping regulations for the entire state.

5. A fairly tight rein was kept on the number of vendors until 1977. Up until that time vendor appointments were made as warranted by population growth. Rapid growth in population and business competition demanded that vendors be appointed as a business enhancement. A type of de-control resulted with the appointment of any applicant who meets minimum qualifications. Vendors have increased from 250 in 1977 to over 500 in 1981. The largest growth is among small business in urban/suburban areas whose business is related, sometimes marginally, to the sale of sporting goods. There has also been a substantial increase in the turnover of vendors. Both the growth and turnover factors have substantially added to the work in the Fish and Game Licensing Office. It is also a factor that more competition in an area can result in lower total vendor fees and in a higher out-of-pocket cost to the vendor in providing the required level of service.
6. There are four different types or groups of vendors:

- a. chain store operations

Large operations where sales are handled by a specified department and the reports are done by the accounting department (sometimes located in a different city or state.) Examples of this are Pay'n'Save, Carr's Payless, J.C. Penney's and the Military Accounts. Large inventory stock and low prices are the drawing card of these stores and license sales are regarded as a customer service with costs being absorbed by the existing structure.

- b. urban/suburban operations

These are speciality stores (usually, sporting goods) competing not only with each other but also with the larger chain stores. The availability of licenses for sale becomes a matter of survival, for there are many other opportunities for the public to purchase not only licenses but also merchandise. These stores are usually staffed by a small sales force and sometimes employ a bookkeeper or accountant to handle the reporting.

c. rural operations

These are owner-operated businesses located along the highway where license sales can be either a service or a necessity depending on the location and the type of business. These businesses are often a family run combination of restaurant/gas station/store/motel that caters to area residents as well as tourists. The owner/operator not only sells the licenses, but also submits the report. Included in this type of operation would also be isolated fishing lodges.

d. bush operations

These are villages throughout the state isolated from road transportation. There is a feeling of community within these operations; vendors are providing a service for their neighbors and often try to find a replacement before terminating. New vendors are generally recruited by Fish and Game biologists or Fish and Wildlife personnel in their travels throughout the area.

## 7. The following is a discussion of the volume of business, and the quality and cost of service within each type or group of vendor:

a. chainstore

Large volume of business with accuracy and quality of service dependent upon the interest and enthusiasm of the person responsible for sales (usually department manager.) Treatment of the public is polite but often impersonal. High personnel turnover sometimes results in increased errors. Cost of operation is generally absorbed by the organization, while timeliness and accuracy of reports are usually maintained at an acceptable level and tend to be easily corrected when necessary.

b. urban/suburban

There is keen competition among these vendors; customers are usually treated warmly and given personalized service. License sales are regarded as important, but reporting and correction of errors is usually a low priority. These vendors tend to be the first to complain about the high volume of paperwork and low commission and last to respond to correction notices and shortage recaps. However the cost of selling licenses is probably felt the hardest among vendors of this type. They tend to spend more time with each customer while selling a license, and a fairly large volume of sales results in more time required to submit the monthly report. All this is time taken away from the real purpose of their operation - selling merchandise.

c. rural

These vendors are more easy-going than the last group and do not seem to be so competitive. Although long hours during the tourist season often result in back-logged reports, they are usually conscientious about clearing up their records (as soon as they have time.) Business

often comes in spurts and can sometimes cause a significant error factor. Since these businesses are owner-operated, the additional cost of license sales comes directly from their own pocket and they do not always view the fee as adequate compensation.

d. bush

These vendors do a very small volume of business and are conscientious about submitting reports timely and accurately. Licenses are sold as a community service. Vendors give up their personal time to sell licenses with relatively few complaints about cost, although when pressured by us for any reason (reports not submitted, errors, etc.) they are not reluctant to let us know that they are overworked and underpaid.

8. We began a modest vendor audit program in 1979. About half of the vendors have been visited. It is obvious that a once-a-year visit does not meet the need. Vendors need a local or at least a regional Fish and Game Licensing Office contact when problems occur. They now turn to the local Fish and Game Department employee, state trooper or other agency with the poor results that occur when the person asked cannot answer and the person asking becomes frustrated. Vendors also need a different consideration in the issuing of licenses, tags, permits and instructions. It has been the practice to require that a vendor report at the end of a calendar year before the new year's material is issued. This procedure is causing a hardship on vendors in good standing who require the new material early enough to meet Christmas gift demands and sport seasons which extend into or begin with the new calendar year.
9. The Vendor complaint about complex and time consuming paperwork has merit. Procedures and instructions to vendors are prepared in August preceding each license year. The licenses, tags and permits are ordered about the same time. The procedures and instructions often pertain to statewide sports activity and the vendor must select that which applies to them. The licenses, tags and permits are normally distributed in December preceding the license year. However, as the license year unfolds, there are often legislated changes which cause revision to vendor procedures, instructions and materials. An example is the King Salmon and Steelhead Trout Permit which became effective south of Yakutat on July 8, 1980. There is also difficulty in projecting where individuals will purchase their licenses, tags and permits. A vendor will periodically run out of some part of the material sent them. We review the supply that was issued to each of the 500 vendors, identify where surplus exists and transfer the item to the needy vendor. These are normally controlled items representing money so both the vendor losing the item and the vendor gaining the item is impacted by paperwork. Legislative and administrative changes are reviewed each year for the purposes of reducing and improving the paperwork. Still, this a very large system with 32 controlled items representing money, 4 accounting controls over the money, 500 vendors providing services and about 500,000 transactions annually (1,000,000 specific licenses, tags and permits) from individuals who have purchased the licenses, tags, and permits.

#### WHERE PATHS MEET

The data and fees which vendors send to the Fish and Game Licensing Office and the vendor environment is important to several agencies:

1. The Department of Fish and Game wants timely and accurate license, tag and permit data. They have enforcement and wildlife management duties. They want to see vendors communicating with Revenue and believe regional offices would solve much of the problem. They want to see vendors better informed and trained so that complaints they receive from the public would stop. They would like access to historical data for sales trends, future projections and budget justification. They need the entire license year data, by the end of February of the following year, so that Federal Reporting requirements can be met. They need to know the resident and non-resident statistics as 50% of Federal Funding comes from non-resident licensing.
2. Public Safety wants the same monthly microfiche as now received and an annual print-out of licenses once a year. Enforcement activity often requires the license copy which Revenue received from the vendor.
3. Limited Entry wants access to historical license data at a point in the future.
4. License data must be furnished the Court System by the end of February for the preceding license year. The Court System uses the data for jury selection.
5. This is an early indicator data system important to economics and research. It provides early information on resident and non-resident trends. It provides important verification information for other processes such as the Permanent Fund Dividend System.
6. Data is important for court action which requires accurate, timely retrieval of license information.

#### TO PUT IT IN FOCUS

There are two important issues evident in this report:

1. Changes must be considered for the Fish and Game Licensing System; and
2. Changes must be considered in license vendor remuneration.

#### IDEAS FOR SOLUTION

The following changes are recommended:

1. Suggest the vendor fee increase proposed in SB 275 be changed to the idea of leaving the license fee at 5% and pay, from a General Fund Appropriation, administrative costs to each vendor. Several alternatives can be considered. The more obvious are to pay a:
  - a. Percentage of the gross license sales; or,

- b. Fixed amount for each transaction; or,
- c. Fixed amount for administrative overhead.

Attachment 12 shows the gross sales, vendor fee, number of license transactions and number of tag transactions (for selected vendors during calendar 1980). Another 25% of the vendor's activity, (permits, transmittals, deposits) are not shown. However, the Attachment shows some of the inequities that would occur if administrative costs were based upon the value of gross sales.

The payment of a fixed amount per transaction is recommended. The amount to be paid each vendor would be determined by the Fish and Game Licensing Office as each transmittal of work is received. The money to make the payments would be appropriated from the General Fund and any residuals would lapse into the General Fund at the end of each Fiscal year. The administrative costs, (to cover vendor activity such as training, supervision, banking, transaction and cash transmittal, phone calls, postage, etc.) would be paid to the vendor as a fixed amount per transaction by the Fish and Game Licensing Office. Payments would be made at least as often as once a calendar quarter.

The recommended fee to be paid is \$1.00 for each transaction. The FY82 cost, is estimated at \$750,000.

FY80 Transactions	=	500,000
* Other Transactions paid for	=	<u>125,000</u>
		625,000
Growth to FY82 at 20%	=	<u>125,000</u>
TOTAL		750,000

\* Other transactions which were not shown on Attachment 11, but, for which the \$1.00 payment should apply are:

- a. Each Bank Deposit (usually daily or weekly per vendor).
- b. Each Transmittal of documents and cash to the Fish and Game Licensing Office.
- c. Each license issued; any affidavit, application document or harvest ticket which is required in connection with a license will not be subject to the \$1.00 fee.
- d. Each tag issued.

2. Regarding the Fish and Game Licensing Program:

- a. Move the Fish and Game Licensing Office to the Carter Skis and Stuff location to provide better public access and a close proximity to the new Department of Fish and Game location.

Joseph K. Donohue

-9-

March 27, 1981

- b. Finish the computerization of the accounting function and the providing of data as required by other agencies. Vigorously pursue implementation.
- c. Vendor Control should be de-centralized and delegated to our Public Service Counters. This includes regional supply of materials and banking as well as near future transfer of daily deposits at the regional level to the Treasury Investment Account.
- d. Develop and implement a vigorous audit program with emphasis on vendors who are not reporting as scheduled. Send next years materials to vendors in good standing on October 1.
- e. Support of the Department of Fish and Game Housekeeping Bill which will give Revenue discretion on when vendors report.

Attachments

cc: Don Barnes, Deputy Director  
Linda Lockridge, Fish and Game Licensing

16.05.380 is ammended by adding:

The Commissioner of Revenue may/shall pay agents for their administrative costs in providing license, tag, banking and reporting functions. The payment is \$1.00 per transaction or \$50.00 per year which ever is larger and shall be paid from funds appropriated by the legislature.

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Original Sponsor: Kerttula

Offered: 4/20/81  
Referred: Finance

1 IN THE SENATE.

BY THE RESOURCES COMMITTEE

2 CS FOR SENATE BILL NO. 418 (Resources) am

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to agricultural development projects;  
7 making clarifying amendments and ratifying certain  
8 actions; and providing for an effective date."

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

10 \* Section 1. FINDINGS AND RATIFICATION. The legislature finds that <sup>it is in the</sup>  
11 <sup>public interest for</sup> prequalification <sup>requirements</sup> prerequisites for agricultural development projects <sup>shall</sup>;  
12 <sup>to</sup> as required, include the submission of conservation plans, development plans,  
13 or other plans, schedules, or programs from persons who apply to participate  
14 in the projects. The legislature further finds <sup>it is in the public interest for</sup> that the administrators ~~shall~~  
15 <sup>have authority</sup> ~~be authorized~~ to classify tracts in agricultural development projects for  
16 each type of agricultural use. The legislature further finds that existing  
17 law authorizes these actions but that clarifying amendments will aid in  
18 interpreting the law. The legislature accordingly <sup>ratifies the</sup> ~~stipulates these are~~  
19 actions ~~to be~~ taken by the administrators of the agricultural action projects  
20 with respect to qualification requirements and classification of tracts.

21 \* Sec. 2. AS 38.05.020(b) is amended by adding a new paragraph to read:  
22 ~~to~~ classify tracts for different agricultural uses and  
23 require prequalification, including the submission of conservation  
24 plans, development plans, or other plans, schedules, or programs, of  
25 persons who apply to participate in an agricultural development project;

26 \* Sec. 3. AS 38.05.035(b) is amended by adding a new paragraph to read:  
27 (7) classify tracts for different agricultural uses and  
28 require prequalification, including the submission of conservation  
29 plans, development plans, or other plans, schedules, or programs, of

S

B

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COMMITTEE REPORT

HOUSE

(7)

FURTHER: F

3/10/82

Date: April 15, 1982

Mr. Speaker:

The Committee on RESOURCES has had SB 525  
"An Act relating to land lotteries."

under consideration and ~~(a majority of the committee)~~ ~~(the committee)~~ reports it back with the following recommendations:

- do pass  do not pass
- do pass with attached amendments(s)
- replace with CS for SB 525  same title  
<sup>gives</sup> and recommends individual recommendations  new title
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

[Signature]

[Signature]

[Signature]

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

[Signature]

Eric Scholte (NO RAO)

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

[Signature]

CHAIRMAN

STATE OF ALASKA  
THE LEGISLATURE

POUCH Y - STATE CAPITOL  
JUNEAU, ALASKA 99811  
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

April 14, 1982

SUBJECT: Land/sale at appraised value  
(HCS SB 525 (HESS))

TO: Representative Michael F. Beirne  
Chairman, House Health, Education  
and Social Services Committee

FROM: Richard A. Bradley *B*  
Legislative Counsel

Jody Sutherland has provided me with a draft for a House Committee Substitute for SB 525. As I have advised him the common ground for the two concepts (SB 525: qualifications for participants in land lotteries) and the amendments (use of appraisals in land sold at public auctions) is "land" but otherwise the joining may approach the outer limits of the single subject rule; the subjects seem discrete. The legislature has historically had a "land" bill each session which constituted a revision of existing law on a broad single subject and therefore was arguably constitutional. My suggestion is that these amendments might better be added to that bill this session.

The proposal for the amendment of AS 38.05.310 presented some technical problems and I suggest that the committee review my revisions to make certain that I have achieved its goals.

Because the revisions to sec. 310(a) were minimal, I have not repealed and reenacted it but rather amended it. Certain revisions to the style of the language making it more consistent with the recent amendments to AS 38 were made. In my view, the only substantive amendments to sec. 310(a) were the change to one year from 120 days in the third or fourth line of the section and the amendments to the statutory references at the end of the section; the addition of the language "public sale by auction" about the

Representative Michael F. Beirne  
Page 2  
April 14, 1982

fifth line of sec. 310(a) results from an observation discussed in sec. 61.

The provisions of sec. 310(b) in the draft were changed substantially from existing law and therefore a repeal or repeal and reenactment were required. Because the section actually belongs in the area of AS 38.05.045 - 38.05.069, I have added it immediately after AS 38.05.060.

In the draft provided to me, the phrase "public auction" is used. I noticed that a different phrase -- "public sale" -- is used in sec. 310(a). I asked Deputy Commissioner Jeff Haynes whether there was a difference in meaning between the two terms. He said that there was. To make the language in the two subsections consistent, I have used the term as suggested: "public sale ~~to~~ auction" in each place in sec. 310(a) and AS 38.05.061 where it seemed required.

The committee should notice that the term "approved, appraised market value" is used in sec. 310(a) and a slight variant "advertised appraised market value" is used in sec. 61. I believe that the same idea is expressed in each place and the terms should be conformed. I gather from Haynes that the minimum bid has to be advertised in some fashion to bidders and I suspect that the term used in sec. 61 is preferable.

The last sentence of the draft provided to us seemed to require an explicit finding based on certain criteria before bids offered at less than the appraised value could be rejected. I have made those conditions explicit.

In my view, the allusion to AS 38.05.060 in sec. 61 is ambiguous. I have reworked the language of the section to make certain the goal of the committee that notwithstanding AS 38.05.060, a bid may be rejected only on the compliance with sec. 61 and its findings by the director.

I have repealed AS 38.05.310(b).

If I may assist further, please advise.

RAB:ljb

Enclosure

COMMITTEE REPORT

HOUSE

FURTHER: FINANCE

(7)

3/10/82

Date: April 15, 1982

Mr. Speaker:

The Committee on RESOURCES has had SB 525

"An Act relating to land lotteries."

under consideration and ~~(a majority of the committee)~~ ~~(the committee)~~ reports it back with the following recommendations:

- do pass  do not pass
- do pass with attached amendments(s)
- replace with CS for SB 525 (Res)  same title  
 new title
- and recommends <sup>gives</sup> ~~individual recommendations~~  
do pass
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

[Signature]

[Signature]

[Signature]

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

[Signature] (no Rec)

Eric Sitchell (NO REC)

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

[Signature]  
CHAIRMAN

ALASKA  
STATE LEGISLATURE

JOHN HANLEY  
HOUSE RESOURCES COMMITTEE

4/14/82

RE: REQUEST OF 1:10 P.M.

MEMORANDUM

PER YOUR REQUEST ATTACHED IS BACK GROUND INFORMATION ON:

SB 275

SB 759

✓ SB 525

SB 772

SB 87 - WAS WAIVED BY THE SENATE RESOURCES COMMITTEE

*Pea*

## LEGISLATION SUMMARY

SB 525: "An Act relating to land lotteries."

Sec. 1: Eliminates the power of the Commissioner DNR to adopt different land lottery purchaser qualifications for agricultural land disposals. The statutory qualifications are 18 years age; 1 year residency; no land lottery purchase in the prior eight years. The Commissioner may adopt additional qualifications if: the land is limited to agricultural purposes; the sale is part of an agriculture development program; the qualifications include residency, skill, experience and financial requirements.

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PRIME SPONSOR: Kerstula

# Alaska State Legislature

BETTYE FAHRENKAMP, CHAIRMAN  
VIC FISCHER, VICE-CHAIRMAN  
BRAD BRADLEY  
DICK ELIASON  
DON GILMAN  
BOB MULCAHY  
ARLISS STURGULEWSKI



Senate

POUCH V  
STATE CAPITOL  
JUNEAU, ALASKA 99811  
(907) 465-3834  
(907) 465-3835

## Committee on Resources

February 5, 1982  
1:40 p.m.

Beltz Room  
211 - Capitol

### MEMBERS PRESENT

Senator Fahrenkamp  
Senator Fischer  
Senator Bradley  
Senator Gilman  
Senator Mulcahy  
Senator Sturgulewski

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#### Hearing:

- SB 275 An Act relating to the compensation of persons collecting hunting and fishing license and tag fees.
- SB 525 An Act relating to land lotteries.

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#### SB 275

Senator Kertulla expressed support for SB 275, stating that the cost to the vendors of selling licenses and tags far outweighs the benefit. It must be made equitable.

Rupe Andrews, Director, Division of Sport Fish, Alaska Department of Fish and Game, recognizes the need for increased funds for vendors, but stated that the Divisions of Game and Sport Fish rely heavily on the fees from the sale of these licenses. They estimate a first-year loss of \$422,000 under SB 275, and have submitted a substitute bill which would allow for vendor compensation from the general fund.

Senator Gilman expressed concern over the increased burden on vendors to fill out vouchers.

Senate Resources Committee  
February 5, 1982  
Page 2

Phillip Walls, Director, Division of Administrative Services, Department of Revenue, stated he desires a change in the vendor's reporting period, preferring that the length of the period be left to Revenue's discretion--perhaps quarterly for small vendors and weekly for large vendors. This would require amending the statute.

Senator Mulcahy inquired about an effective date for the bill; Mr. Wall suggested January 1, 1982.

Marian Endicott, vendor, Endicott Ace Hardware, supports SB 275, and feels a change to quarterly reporting would benefit the vendor.

Senator Fahrenkamp stated that SB 275 will be back before the Committee in final version Wednesday, 2/10/82.

#### SB 525

Senator Kertulla expressed support for SB 525, indicating that this minor change in wording would "plug a loophole".

Carl Amstrup, Executive Director, Alaska Agricultural Action Council, expressed support for SB 525.

Sharon Barton, Special Assistant to the Commissioner, Department of Natural Resources, expressed support for SB 525.

Senator Sturgulewski moved that SB 525 be moved with individual recommendations.

The meeting was adjourned at 2:50 p.m.

S

B

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5

8

COMMITTEE REPORT

HOUSE

FURTHER: FINANCE

(7)

3/24/82

Date: April 13, 1982

Mr. Speaker:

The Committee on RESOURCES has had SB 658 (efd added)

"An Act increasing the fees for a commercial fishing license; and providing for an effective date."

under consideration and ~~(a majority of the committee)~~ ~~(the committee)~~ reports it back with the following recommendations:

- do pass  do not pass
- do pass with attached amendments(s)
- replace with CS for SB 658 (Resources)  same title  
 new title
- and recommends \_\_\_\_\_

AND attaches a "Letter of Intent"  New Fiscal Note

reports it back without <sup>individual</sup> recommendation

referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

Eric G. Sutcliffe  
 \_\_\_\_\_  
 \_\_\_\_\_  
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MEMBERS HAVING  
OTHER RECOMMENDATIONS:

R. B. [unclear] No [unclear]  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Eric G. Sutcliffe  
CHAIRMAN

AS 16.43.160(b) is amended to read:

(b) Annual fees established under this section shall be no less than \$10 and no more than \$750 and shall reasonably reflect the different rates of economic return for different fisheries. The amount of a fee for a nonresident shall be three times the amount of a fee for a resident.

Introduced: 1/14/82  
Referred: Resources and  
Finance

BY THE LABOR AND  
COMMERCE COMMITTEE

1 IN THE SENATE

2 SENATE BILL NO. 658 (efd added)  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act increasing the fees for a commercial fishing  
7 license; and providing for an effective date."

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

9 \* Section 1. AS 16.05.480(a) is amended to read:

10 (a) A person engaged in commercial fishing shall obtain a commer-  
11 cial fishing license. The fee for the license is \$30 [\$10] for resi-  
12 dents, and \$90 [\$30] for nonresidents. Except for those which are also  
13 entry or interim-use permits, all commercial fishing licenses are non-  
14 transferable. The commercial fishing license shall be retained in the  
15 possession of the licensee, readily accessible for inspection at all  
16 times. No more than one fee may be charged annually against a person.  
17 For the purposes of this section, "commercial fishing license" includes  
18 entry permits and interim-use permits issued under AS 16.43 and crew-  
19 member fishing licenses.

20 \* Sec. 2. This Act takes effect January 1, 1983.

21  
22  
23 Add this  
24 amendment  
25  
26  
27  
28

FISHERMEN'S FUND SOURCES OF REVENUE FOR FY 1981

Resident Limited Entry Permits-	14,559 x 6 = \$87,354
Non-resident Limited Entry Permits-	3,359 x 18= 63,702
Resident Crew Member Licenses-	15,737 x 6 = 94,422
Non-resident Crew Member Licenses-	9,131 x 18= 164,358
Total Revenue for FY 1981-	409,836

FISHERMEN'S FUND REVENUE USING FY 1981 AS BASE YEAR

Resident Limited Entry Permits-	14,559 x 18=\$262,062
Non-resident Limited Entry Permits-	3,359 x 54= 191,106
Resident Crew Member Licenses-	15,737 x 18= 283,266
Non-resident Crew Members-	9,131 x 54= 493,074
Total Revenue-	1,229,508

Under SB 658 there would be a difference of \$819,672 in revenues into the Fishermen's Fund.

THE LEGISLATURE OF THE STATE OF ALABAMA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Senate Bill 658  
 Title "An Act increasing the fees for a Commercial fishing license."  
 Requested by Senate Labor & Commerce Date 1/18/82

II. FISCAL DETAIL

Agency Affected Labor  
 Program Category Affected PUBLIC PROTECTION  
 BRU, Program, Or Subprogram(s) Affected Fishermen's Fund  
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	0	0	0	0	0	0

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

FULL TIME	0	0	0	0	0	0
PART TIME						
TEMPORARY						

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

Revenue from commercial fishing license fees and permits is inadequate to support the Fishermen's Fund which receives sole support from these fees. This legislation would increase the revenue and continue the program to aid fishermen on a self-supporting basis. Income projections from this legislation are:

	FY 83	FY 84	FY 85	FY 86	FY 87
Limited Entry Permits	420.0	450.0	450.0	450.0	450.0
Crewmember Licenses	<u>457.6</u>	<u>780.0</u>	<u>780.0</u>	<u>780.0</u>	<u>780.0</u>
Totals	877.6	1,230.0	1,230.0	1,230.0	1,230.0

Assumes January 1, 1983 effective date.

IV. DATE 1/18/82 PREPARED BY Michael W. Smith  
 AGENCY Department of Labor  
 Original: Legislative Finance PHONE 455-2720  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named):  
 33-001 (Rev. 12/81)

Bill No. Senate Bill 658

Date

January 21, 1982

Title "An Act increasing fees for a commercial fishing license."

Contact: Judy Knight 465-2700  
Elaine VanderSande  
465-2766

The Department of Labor recommends passage of Senate Bill No. 658 increasing fishing license fees to \$30 per resident and \$90 per nonresident from the present \$10 and \$30 in order to increase revenue to the Fishermen's Fund through its 60% portion of the fees.

The purpose of Fishermen's Fund is to relieve fishermen of some of the accident or occupational illness burden of commercial fishing. Due to inflation and increased usage of the Fund, expenditures have risen above revenues in yearly escalating amounts since FY 79 despite restriction on costs imposed by the Fishermen's Fund Advisory and Appeals Council. The Fund balance on January 13, 1982 was down to \$278.1.

In November 1981 the Fishermen's Fund Advisory and Appeals Council recommended increasing revenues by (1) payment to Fishermen's Fund of 60% of all money collected for license fees as a portion of limited entry permits (including duplicate permits), and (2) increasing license fees to \$20 per resident and \$60 per nonresident.

With passage of Senate Bill No. 658, Fishermen's Fund will be able to continue assisting commercial fishermen and will be able to again pay some optional costs which have temporarily been suspended, such as transportation to return the fisherman from the medical facility, extensions above maximum limits, and assistance after discharge from the hospital (convalescence benefits). The Fund would then fulfill the intent envisioned with its implementation in 1951.

Without passage of Senate Bill No. 658, Fishermen's Fund will be insolvent, and probably the law should be repealed.

FISHERMEN'S FUND BALANCE PROJECTIONS WITH LEGISLATION  
(Actual figures above dividing line; estimates below)

	July 1 Starting Balance	Adjustment	Receipts	Expenditures	June 30 Ending Balance
FY '79	\$ 698.5	\$	\$ 393.2	\$ 364.3	\$ 727.4
FY '80	727.4	65.7	402.3	461.7	602.2
FY '81	602.2	29.7	409.8	502.5	479.9
FY '82	479.9	48.1	410.0	650.0 (200.0 G.F.)	391.2
FY '83	391.2		877.6	765.0	503.8
FY '84	503.8		1,230.0	880.0	853.8
FY '85	853.8		1,230.0	1,000.0	1,083.8

FISHERMEN'S FUND BALANCE PROJECTIONS WITH LEGISLATURE

		<u>July 1</u> <u>Starting</u> <u>Balance</u>	<u>Year End</u> <u>Adjustment</u>	<u>Receipts</u>	<u>Expendi-</u> <u>tures</u>	<u>June 30</u> <u>Ending</u> <u>Balance</u>
ACTUAL	FY 79	698.5		393.2	364.3	727.4
	FY 80	727.4	(65.7)	402.3	461.7	602.2
	FY 81	602.2	(29.7)	409.8	502.5	479.9
	FY 82	479.9	(48.7)			
	FY 82			410.0	650.0 <sup>1</sup>	391.2
	FY 83	391.2		877.6	765.0	503.8
	FY 84	503.8		1,230.0	880.0	853.8
License	FY 85	853.8		1,230.0	1,000.0	1,083.8
Fees	FY 86	1,083.8		1,230.0	1,100.0	1,213.0
\$30.90	FY 87	1,213.0		1,230.0	1,210.0	1,233.0
	FY 88	1,233.0		1,230.0	1,331.0	1,132.0
	FY 89	1,132.0		1,230.0	1,464.0	898.0
	FY 90	898.0		1,230.0	1,610.4	517.6
	FY 91	517.6		1,230.0	1,771.4	(23.0)
	FY 82			410.0	650.0 <sup>1</sup>	391.2
License	FY 83	391.2		643.8	765.0	270.0
Fees	FY 84	270.0		820.0	880.0	210.0
\$20/60	FY 85	210.0		820.0	1,000.0	30.0
	FY 86	30.0		820.0	1,100.0	(250.0)

1 Includes \$200.0 General Fund

These projections assume:

Legislation increasing license fees takes effect January 1, 1983.

The number of fishermen licensed will not change significantly; thus receipts will remain constant.

The number of claims filed will increase yearly through FY '85 primarily due to withdrawal of U. S. Public Health Service coverage. After FY '85 the number of claims and expenditures will stabilize with increased costs of 10% for inflation only.

The cost per claim will rise in FY '83 and '84 because optional benefits will be allowed which presently have been restricted. (The Fishermen's Fund Advisory and Appeals Council monitors the condition of the Fund in determining benefits which will be allowed.)

# STATE OF ALASKA

JAY & HAMMOND, GOVERNOR

## DEPARTMENT OF LABOR

OFFICE OF THE COMMISSIONER

P. O. BOX 1149  
JUNEAU, ALASKA 99811  
Phone: 465-2700

January 20, 1982

Mr. Michael Thill  
Administrative Assistant  
Senate Labor & Commerce Committee  
Pouch V  
Juneau, AK 99811

Dear Michael:

You requested information on Fishermen's Fund concerning the number of claims, benefit costs, projected claims cost, and revenue projections. Elaine VanderSande, Fishers' Fund Officer, and I have worked together to provide our best guess at the estimates and projections you have requested.

Number of Claims							
ACTUAL				PROJECTIONS			
<u>FY 79</u>	<u>FY 80</u>	<u>FY 81</u>	<u>FY 82*</u>	<u>FY 82</u>	<u>FY 83</u>	<u>FY 84</u>	<u>FY 85</u>
1,615	1,678	1,621	792 <sup>1</sup>	1,700	1,900	2,100	2,350

Expenditures for Claims							
<u>FY 79</u>	<u>FY 80</u>	<u>FY 81</u>	<u>FY 82*</u>	<u>FY 82</u>	<u>FY 83</u>	<u>FY 84</u>	<u>FY 85</u>
\$288.2	\$408.4	\$459.5	\$262.12	\$550.0	\$650.0	\$750.0	\$875.0

Administrative Costs <sup>3</sup>							
<u>FY 79</u>	<u>FY 80</u>	<u>FY 81</u>	<u>FY 82*</u>	<u>FY 82</u>	<u>FY 83</u>	<u>FY 84</u>	<u>FY 85</u>
\$100.94	\$73.0	\$91.7	\$48.0	\$100.0	\$110.0	\$125	\$133

\* Number of claims, expenditures, and costs reflect actuals through December 31, 1981.

The following revenue information has been prepared. Actual revenue receipts are as follows:

	<u>FY 79</u>	<u>FY 80</u>	<u>FY 81</u>
	\$393,186	\$402,228	\$409,842
Revenue from Permits :	\$151,074	\$165,702	\$151,056
Revenue from Licenses:	\$242,112	\$236,526	\$258,786

Mr. Michael Thill  
 January 20, 1982  
 Page 2

Projected Revenue

	<u>FY 82</u>	<u>FY 83</u>	<u>FY 84</u>	<u>FY 85</u>
Under Existing Statutes	\$ 410.0	\$ 410.0	\$ 410.0	\$ 410.0
SB 658 Proposal	\$ 410.0	\$ 877.6	\$1,230.0	\$1,230.0
SB 658 Proposal With Interest <sup>5</sup>	\$ 410.0	\$ 877.6	\$1,230.0	\$1,230.0
	\$	\$ 15.1	\$ 26.1	\$ 26.9

Listed below is an estimate of Fishermen's Fund balances reflecting actuals through FY 81 and estimates for receipts assuming Senate Bill 648 becomes law. Balances do not include interest.

FISHERMEN'S FUND BALANCES

	<u>July 1 Starting Balance</u>	<u>Adjustment</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>June 30 Ending Balance</u> (without interest)
FY '79	\$ 698.5	\$	\$ 393.2	\$ 364.3	\$ 727.4
FY '80	727.4	65.7	402.3	461.7	602.2
FY '81	602.2	29.7	409.8	502.5	479.9
FY '82	479.9	48.7	410.0	650.0	391.2
FY '83	391.2		877.6	765.0	503.8
FY '84	503.8		1,230.0	880.0	853.8
FY '85	853.8		1,230.0	1,000.0	1,083.8

Figures below the horizontal line are all estimates and were used to calculate interest.

As I discussed with you on the phone, the Department, at the Council's request, investigated the feasibility of interest being credited to the Fund. This was also discussed with Legislative Audit in 1979. Reference should be made to the annotations in AS 37.05.155 and Attorney General's Opinion No. 5, 1969 (enclosed). Also enclosed is Section 6554 of the State Administrative Manual for your reference.

I hope this is the information you requested. We will be happy to discuss with you or Troy. Please give us a call. Thanks for your interest and concern.

Mr. Michael Thill  
January 20, 1982  
Page 3

FOOTNOTES

- 1 Actual number of claims filed through January 1, 1982. The number of claims have not reflected the sharp rise anticipated as a result of the withdrawal of U.S. Public Health Service coverage of fishermen. One contributing factor is low crab stocks resulting in curtailment of crab fishing this year. Additionally, some medical facilities particularly in Dutch Harbor and Kodiak have been reluctant to accept Fishermen's Fund claims after Council adopted a policy of referring fishermen on vessels with protection and indemnity insurance coverage to that coverage. This policy of denying Fishermen's Fund coverage to this group has been abandoned.
- 2 Due to shortage of funds, the Fishermen's Fund Advisory and Appeals Council sharply restricted optional coverage such as extension of limits, transportation costs, and convalescence benefits which have resulted in lower total claims costs.
- 3 Administrative costs have been projected and estimates prepared using a 10% inflation factor. Fiscal Year 1984 includes some equipment replacements.
- 4 Includes some claim costs.
- 5 Assumes interest rate of 6% based on one half of projected fund balance as of June 30 of each year, beginning June 30, 1983.
- 6 Expenditures include \$200.0 in General Funds; therefore, only \$450.0 was subtracted from Fishermen's Fund revenue.

Sincerely,

*Judy Knight*

Judy Knight  
Special Assistant  
to the Commissioner

JK:kmb  
j:20

Enclosures

Money belonging to the State is either in the Treasury or outside of the Treasury. Money outside of the Treasury consists of collections temporarily retained by agencies in local depositories pending transmittal to the Department of Revenue and money retained by public corporations in local depositories as a result of statutory authority.

Money in the Treasury belongs to the General Fund or special funds. All deposits are credited to the General Fund unless the law requires that they be credited to a special fund.

#### 6554 - INVESTMENTS (7-69)

Investments may be held in the name of a fund only if the law establishing the fund authorizes investments. If the law establishing a fund does not provide for investments, investments may not be held in the name of that fund.

Income on investments may be credited to a fund only if the law establishing the fund provides for crediting investment income to it. If the law establishing a fund does not provide for crediting it with investment income, any investment income must be credited to the General Fund.

Whenever the law establishing a fund authorizes investments and provides for the disposition of investment income, the fund is referred to as a specifically invested fund. A specifically invested fund, therefore, is a fund for which there is specific statutory authority both as to the investment of excess cash and the application of investment income.

Only a few funds are specifically invested. Monies on deposit in other funds are invested with other excess cash in the State Treasury and earn income which is credited directly to the General Fund.

All investments held must be of a type authorized by law. For instance, if the statute setting up a fund provides that excess cash may be invested in obligations of the United States, then U. S. Treasury obligations are the only investments that may be held by that fund. That fund cannot be invested in corporate stocks and bonds.

#### 6555 - FORMAT (7-69)

The remaining sections of this part of the manual consist of information on the principal funds on deposit in the State Treasury. The format in which information is presented is outlined below:

A separate section presents the fundamentals of each fund. Following the section number is the name which the fund is commonly called. Following this a summary of pertinent matters under the following headings and subheadings is presented.

TABLE 1  
 FISHERMEN'S FUND  
 REVENUES EXPENDITURES AND CASES  
 1976 - 1982

Fiscal Year	Revenues	%Increase over 1976	Expenditures	%Increase over 1976	Total Cases	%Increase over 1976	Total Approved	%Increase over 1976
1976	214,950	n/a	143,788	n/a	629	n/a	534	n/a
1977	246,258	14.6	185,084	28.7	757	20.3	741	38.8
1978	321,432	49.5	265,331	84.5	1006	59.9	900	68.5
1979	393,186	82.9	326,886	127.3	1615	156.8	1399	162.0
1980	402,228	87.1	336,840	134.3	1678	166.8	1459	173.2
1981	409,842	90.6	461,052 (P)	220.6	1625 (P)	158.3	1400 (P)	162.2
1982	418,000 (E)	94.5	923,400 (E)	542.2	3255 (E)	417.5	2832 (E)	430.3

(P) Preliminary

(E) Estimated

STATE OF ALASKA  
THE LEGISLATURE

POUCH Y - STATE CAPITOL  
JUNEAU, ALASKA 99811  
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

January 5, 1982

SUBJECT: Alteration of the dedication to the  
fishermen's fund (Work Order No. 12-2135)

TO: Senator Bob Mulcahy

FROM: Edward H. Hein *EH*  
Legislative Counsel

You have asked whether it is permissible under the Alaska Constitution to provide that 60 percent of the fees for renewal of limited entry permits and interim use permits be dedicated to the fishermen's fund (AS 23.35.150).

The short answer is that such a change would amount to an unconstitutional expansion of a dedication, in violation of Article IX, Sec. 7. However, it would be permissible to increase the amount of the commercial fishing license fee and the percentage of that fee sent to the fishermen's fund. Furthermore, the amount paid by a fisherman for a commercial fishing license could be credited toward payment of a crew member license, a limited entry permit or an interim use permit, as is provided under current law.

Article IX, Sec. 7 provides:

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 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.

The fishermen's fund was established in 1951 (sec. 4, Chapter 100, SLA 1951) and was "grandfathered in" under the second sentence of Article IX, Sec. 7 because the fund

existed upon the date of ratification of the Alaska Constitution (April 24, 1956).

No Alaska Supreme Court case has prescribed the manner and extent to which a dedicated fund, or the tax or license upon which it is based can be altered by the legislature. Several Opinions of the Attorney General have discussed this question. Op. Atty. Gen., Nos. 7, 9, 14, (Alaska 1959); Op. Atty. Gen., No. 9 (Alaska 1975); Op. Atty. Gen., No. 22 (Alaska 1978). The opinions uniformly concluded that the legislature may not increase or decrease the rate of the dedication or the amount of the tax or license fee from which the dedicated revenues are derived. The opinions further concluded that a dedication cannot be altered so as to include new or additional sources of revenue. In other words, according to the Attorney General, the dedication is frozen in exactly the form and amount as existed upon the date of ratification of the constitution. In its most recent opinion on the subject, however, the Attorney General's office has reversed its view in part and concluded that the legislature may increase or decrease the amount of the tax or license fee from which a dedication is derived without violating Article IX, Sec. 7. Op. Atty. Gen., June 30, 1981 (Alaska).

A close rereading of the Minutes of the Constitutional Convention indicates that the Committee on Finance and Taxation, which drafted Article IX intended to allow the legislature to increase or decrease both the rate of an existing dedication and the amount of the tax or license fee from which the dedication was derived.

During the floor debates on the constitution, Delegate Ralph Rivers proposed to amend Article IX, Sec. 7 so as to delete the phrase, "the continuance of" from the second sentence of the section. In proposing the amendment, Delegate Rivers apparently assumed that the continuance of a dedication after ratification of the constitution meant that the dedication was frozen at the exact rate and in the exact amount that existed on the date of ratification.

R. RIVERS: . . . I'm in accord with their idea of not letting any more allocations come along, but when you say 'continuance of' allocations I immediately think of the rate of allocations as well as the subject matter.

Then Delegate Steve McCutcheon said:

The principle behind this sentence is not that the rates are frozen, it is the principle of allocating earmarked funds. It is not a matter of percentage-wise, it is a theory of earmarked funds and I can't see his [R. Rivers] argument in this by striking out "continuance". He proposes that this is going to cure the proposition of a freeze. He thinks it is a freeze. It is not a freeze in any respect of the word as far as I can see; it is a matter of a theory of earmarked funds and doesn't have anything to do with dollar and cents or percentages.

Then Delegate Barrie N. White responded to Delegate Victor River's request for a statement of the intent of the Committee on Finance and Taxation. Mr. White, a member of that committee, answered:

"WHITE: I think I can answer for all the Committee on that, Mr. Rivers. It is not the intent of the Committee that this be interpreted to mean a freeze in any way, shape, or form. The Committee feels that the objections raised by Mr. [Ralph] Rivers are covered by the existing language. The reason of the Committee resists the deletion of the words 'continuance of' is that it would then mean that the legislature could discontinue a presently earmarked fund next year and then 50 years from now bring it back into being. We do not intend that that be the case.

"V. RIVERS: If you are not freezing an amount, could they raise an existing allocation under this? On the gasoline tax could they raise that to six per cent according to your thinking on this?

"WHITE: Certainly they could.

"V. RIVERS: If they lowered it down to three could they then reenact two more after that?

"WHITE: The Committee intends that this not have any reference to rates at all. The Committee intends that this apply to the allocation of particular taxes to a particular purpose and no more than that.

"V. RIVERS: I just wanted this in the record. Now if they wipe it out altogether, discontinue it, it's gone forever, is that right?

"WHITE: That is right.

"V. RIVERS: But if you discontinue half of it, you can raise it back up?

"WHITE: That would mean that."

4 Minutes, Alaska Constitutional Convention, 2404 - 2405.

Immediately following this discussion, Ralph River's proposed amendment was rejected by voice vote of the body. Earlier in the day, Delegate Maurice Johnson had proposed a similar amendment which would have deleted the phrase "prohibit the continuance of" and would have inserted the words "apply to". During discussion of that amendment, Delegate Leslie Nerland, said:

Mr. President, I think I can speak for at least the majority of the Committee [on Finance and Taxation], perhaps the whole Committee, but we would oppose this amendment because it was the intention of the Committee that the present allocated earmarked funds be allowed until such a time as they might be removed from the books but it was not our intention that they be removed and put back in again at some later date, so we would oppose that and any other change of wording that would allow that.

4 Minutes, Alaska Constitutional Convention, 2383 - 2384.

This passage reinforces the statement of Delegate White that the intention of the Committee on Finance and Taxation in using the phrase "continuance of" was only to assure that if a dedication were completely discontinued, it could not be reinstated years later merely because it had been in existence on the date of ratification of the constitution.

Thus, according to members of the committee that drafted Article IX, Sec. 7 was intended to prevent alteration of the particular source of revenue and the particular purpose for which that revenue was being dedicated, but no more than

that. Thus, the phrase "all commercial fishermen's licenses" is limited to the meaning it had at the time the constitution was ratified. At that time, there was only one type of commercial fishing license in Alaska. 1949 ALCA secs. 39-4-17 - 39-4-18.

Today, the "commercial fishing license" still exists in AS 16.05.480. The limited entry permit and the interim use permit are licenses different from the "commercial fishing license". The limited entry permit and interim use permit are the successors to the gear license, established in 1959 (sec. 8, Article 3, Chapter 94, SLA 1959), and repealed in 1978 (sec. 19, Chapter 105, SLA 1977). Permit holders are required to purchase a "commercial fishing license" under AS 16.05.480. The money paid for the commercial fishing license by the permit holder is credited toward the renewal fee for the permit (AS 16.43.160(a)).

Thus, the phrase "all commercial fishing licenses" in AS 23.35.150 does not include limited entry permits or interim use permits. In my opinion, expanding the definition of "all commercial fishing licenses" to include limited entry permits and interim use permits would be to alter the source of revenue from which the dedication to the fishermen's fund is derived, in violation of Article IX, Sec. 7.

Based upon the discussion in the Minutes of the Constitutional Convention, including the statements of two members of the Committee on Finance and Taxation, I conclude that the legislature is constitutionally permitted to increase or decrease the rate of the dedication to the fishermen's fund, and the amount of the fee for a "commercial fishing license". It should be noted that the commercial fishing license fee for nonresidents was increased in 1966 from \$15 per year to \$30 per year (sec. 1, Chapter 93, SLA 1966). If it is unconstitutional to increase the amount of the license fee, then the state has been in violation of Article IX, Sec. 7 for the past 15 years.

Finally, I should again emphasize that the Alaska Supreme Court has not ruled on the question of the manner and extent to which the legislature can alter a dedication that existed on the date of ratification of the Alaska Constitution. Furthermore, the Court has previously held that opinions of

Senator Bob Mulcahy  
Page 6  
January 5, 1982

individual members of the constitutional convention generally are not considered to be a safe guide in ascertaining the purpose of a majority of the convention when adopting a particular provisions. But reports of committees and statements of chairmen of such committees stand on a more solid footing, and may be resorted to in determining the intent of the enacting body. Starr v. Hagglund, 374 P.2d 316 (Alaska 1962). I am not certain what weight the Court would give to the statements of Delegates White and Nerland, who were members of the Committee on Finance and Taxation, but neither of whom was chairman. In my opinion, the statements of Nerland and White, who asserted that they were speaking before the body on behalf of the whole committee, should be weighted heavily by the Court when interpreting the meaning of Article IX, Sec. 7.

EHH:ljb

commissioner shall make monthly remittances of the fees collected to the proper state official. The commissioner is not liable for defalcation or failure to account for the fees collected by an agent, but he shall require a bond in the sum he considers adequate, conditioned upon the faithful accounting of money collected.

(b) A person appointed by the commissioner of revenue under AS 16.05.460 to issue licenses under AS 16.05.440 — 16.05.480, except salaried employees of the state, shall retain the sum of 15 per cent of the interim-use or entry permit fee for assisting in completion of the annual application or renewal form for the interim-use or entry permit. An agent shall transmit promptly to the Commercial Fisheries Entry Commission all application or renewal forms and fees collected by him, less the authorized commission, together with a full accounting of the fees. The commissioner and the Commercial Fisheries Entry Commission are not liable for defalcation or failure to account for the fees collected by an agent, but the commissioner shall require a bond in the sum he considers adequate, conditioned upon the faithful accounting of money collected. (§ 5 art III ch 94 SLA 1959; am § 9 ch 31 SLA 1963; am § 1 ch 8 SLA 1977; am §§ 5, 6 ch 105 SLA 1977)

Effect of amendments. — The first 1977 amendment substituted "15 per cent" for "five per cent" in the first sentence of subsection (a).

The second 1977 amendment designated the former provisions of this section as subsection (a), and in that subsection, substituted "AS 16.05.440 — 16.05.480" for

"AS 16.05.440 — 16.05.720" and "15 per cent" for "five per cent" in the first sentence, "An agent" for "A deputy" in the second sentence, and "an agent" for "a deputy" in the fourth sentence, and inserted "license" preceding "fees collected" in the second sentence. The amendment also added subsection (b).

This section amended by SB 658

**Sec. 16.05.480. Commercial fishing license.** (a) A person engaged in commercial fishing shall obtain a commercial fishing license. The fee for the license is \$10 for residents, and \$30 for nonresidents. Except for those which are also entry or interim-use permits, all commercial fishing licenses are nontransferable. The commercial fishing license shall be retained in the possession of the licensee, readily accessible for inspection at all times. No more than one fee may be charged annually against a person. For the purposes of this section, "commercial fishing license" includes entry permits and interim-use permits issued under ch. 43 of this title and crewmember fishing licenses.

(b) A person applying for a resident commercial license under this section shall provide the proof of residence which the department requires by regulation.

(c) Repealed by § 12 ch 123 SLA 1978. (§ 6 art III ch 94 SLA 1959; am § 19 ch 131 SLA 1960; am § 1 ch 93 SLA 1966; am § 2 ch 42 SLA 1968; am § 8 ch 105 SLA 1977; am §§ 1, 2, 12 ch 123 SLA 1978)

Effect of amendments. — The 1977 amendment rewrote the first sentence of subsection (a), substituted "crewmember" for "commercial" in the third sentence of

subsection (a), and also in subsection (b), deleted "his" preceding "residence" in subsection (b), and added subsection (c). Sections 1 and 2, ch. 123, SLA 1978.

# STATE OF ALASKA

## DEPARTMENT OF LABOR

JAY S. HAMMOND, GOVERNOR

BOX 1149  
JUNEAU, ALASKA 99811  
PHONE: 465-2700

January 12, 1982

Mr. Michael Thill  
Administrative Assistant  
Senate Labor and Commerce  
Committee  
Pouch V  
Juneau, AK 99811

Dear Michael:

The Department provided copies of Richard Austerman's Special Report on Alaska Fishermen's Fund to the Fishermen's Fund Advisory and Appeals Council members. Attached are comments received from the council members concerning the report and solutions for maintaining the solvency of the Fishermen's Fund. I thought you and Senator Mulcahy might be interested.

I am looking forward to working with you again this session. Thank you again for scheduling my meeting with the Senator yesterday and please convey my thanks to Senator Mulcahy for his time.

Sincerely,

*Judy Knight*

Judy Knight  
Special Assistant

JK/mjs  
D-85

Enclosure

EXCERPT FROM MINUTES OF NOVEMBER 1981 FISHERMEN'S FUND ADVISORY AND APPEALS  
COUNCIL MEETING:

In order to meet projected administrative and claim expenses, the Council recommended, first, that the law allowing only one contribution into Fishermen's Fund per fisherman issued a permit under AS 16.43 be changed to allow a contribution for each permit issued which includes a commercial fishing license. Their second recommendation was to raise license fees, double if necessary, to meet revenue requirements.

In a December 21, 1981 telephone discussion, Ole Haynes reaffirmed his support for the above statement.

EVS

RECEIVED

DEC 22 1981

FISHERMEN'S FUND

to Elaine VanderSande  
Administrator  
Fishermen's Fund

Thoughts on the report are  
that all recommendations sound  
fine to me

Although I think the  
council wanted 30-60 on  
licenses. Would like 30-50. For  
the simple reason that 50 is  
not much to leave in Alaska.

Used to think about lowering  
the 2500 limit but I think  
100<sup>00</sup> deductible would be just  
as effective.

Steve Johnson

# Cordova District Fishermen's Union

RECEIVED

DEC 31 1981

Headquarters: Box 939, Cordova, Alaska 99574

(907) 424-3447 (907) 424-7473

FISHERMEN'S FUND



12/29/81

Ms. Elaine VanderSande, Administrator  
Fishermen's Fund  
Alaska Dept. of Labor  
P.O. Box 1149  
Juneau, Alaska 99811

Dear Elaine;

As per review of the Fishermen's Fund report prepared for Senator Mulcahy.

On page 11 the report fails to mention that the UFA's occupational accident plan has a \$2500.00 deductible which meshes with Fishermen's Fund.

My opinion on the recommendations starting page 11.

- #1 - For the time being at least, I would rather see a \$30.00 Resident - \$60.00 Non-resident crew member (Commercial Fishing) license fee rather than a \$30-90 increase. I feel it would be much more equitable to put up more revenue from one of the long range recommendations.
- #2 - For immediate addition - if possible with #1 recommendation pick up the \$6.00 and \$18.00 each from the multiple permit renewals.
- #3 - I would approve of if it actually assists in administering the Fund without excess confusion.
- #4 - Definitely not - I really feel we should not become more reliant on the legislature and definitely not be funded directly out of the General Fund per se.
- #5 - No Workman's Compensation - P and I is costly enough and does the job when it has to - Workman's compensation makes it too easy for free loaders.
- #6 - I would not be opposed to a, say, \$50.00 deductible for Fishermen's Fund. The administrative cost of small claims exceeds benefits, besides I personally feel fishermen should be able to pay their own really small bills.

I feel that both long range recommendations as outlined are excellent ideas and should be pursued if possible. By the time these analysis are ready we will have a considerably better handle on just what effect the recent changes in medical coverage will have on the Fund.

I hope this review will be of some assistance. Please let me know if I can be of further aid during the session.

Sincerely,

*Bob Blake*

RECEIVED

DEC 31 1981

FISHERMEN'S FUND



MR. EARL MOLLOPAN  
PO BOX 137  
NAKNEK ALASKA 99633

January 22, 1982



The Honorable Robert Mulhahy, Chairman  
Senate Labor and Commerce Committee  
Alaska State Legislature  
Pouch V State Capitol  
Juneau, Alaska 99811

Re; Fishermen's Fund

Dear Sir;

I received your special report by R.G. Austerman, and the memorandum from the Legislative Affairs. I still don't see the problem (Constitutional), if this is done properly.

Alaska Statute Sec. 23.35.010 to 150 establishes the Fishermen's Fund, which is protected by the Constitution of the State, as a dedicated fund. Sec. 23.35.060 states that the fund shall be composed of 60 per cent of the money derived by the state from all fishermen's licenses (commercial). This has nothing to do with establishing a license fee. Only that whatever the license fee is, 60 per cent goes to the Fishermen's Fund.

If we leave the above part alone there is no further constitutional question. The action in 1966, was to determine the legal differential that could be used between the resident fee and the non-resident fee. This was by court ruling and a new license fee was established. We could charge no more than three times the resident fee for the non-resident fee.

If we only make the changes in Sec. 16.05.480 to raise the license fee there is no constitutional question involved. Of course that is as long as we stay within the ruling of no more than three times the resident fee for the non-resident fee. However there does need to some changes in the wording of Sec. 16.05.480 and possibly followed through in Sec. 16.42.160 so that 60 per cent of all fees (commercial fishermen) and that portion of limited entry permits goes to the Fishermen's Fund as required by Sec 23.35.060.

I am enclosing parts of a report from the Department of Law, dated April 4, 1969 in regard to the "constitutionality of a tax" Since Limited Entry Permits and commercial fishermen's licenses are issued for the purpose of protection of the fishery and management of the fishery for conservation purposes as set out in the constitution of the State, Article VIII Sec.15 as amended, and not for the purpose of raising money for the general fund. This might have a bearing on all of this.

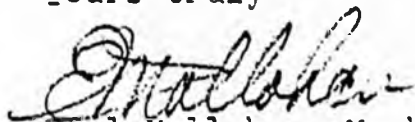
The above might also be useful in the question of Limited Entry which I don't doubt will come up.

Another item that we have been concerned with is that any unused portion of the fund is invested along with the General Fund money but we do not get any investment credit for this. It is still dedicated money regardless of where it is. I don't know whether anything can be done in regard to this.

I will be in Juneau possibly on March 14th and by all means by March 15 and will be available at the Department of Labor on the 16th-17th & 18th.

Thanks for your attention.

Yours truly



Earl Mollenhan, Member  
Fishermen's Fund Advisory  
and Appeals Council

File - SB 658

Bill No. Senate Bill 658

Date January 21, 1982

Title "An Act increasing fees for a commercial fishing license."

Contact: Judy Knight 465-2700  
Elaine VanderSande 465-2766

The Department of Labor recommends passage of Senate Bill No. 658 increasing fishing license fees to \$30 per resident and \$90 per nonresident from the present \$10 and \$30 in order to increase revenue to the Fishermen's Fund through its 60% portion of the fees.

The purpose of Fishermen's Fund is to relieve fishermen of some of the accident or occupational illness burden of commercial fishing. Due to inflation and increased usage of the Fund, expenditures have risen above revenues in yearly escalating amounts since FY 79 despite restriction on costs imposed by the Fishermen's Fund Advisory and Appeals Council. The Fund balance on January 13, 1982 was down to \$278.1.

In November 1981 the Fishermen's Fund Advisory and Appeals Council recommended increasing revenues by (1) payment to Fishermen's Fund of 60% of all money collected for license fees as a portion of limited entry permits (including duplicate permits), and (2) increasing license fees to \$20 per resident and \$60 per nonresident.

With passage of Senate Bill No. 658, Fishermen's Fund will be able to continue assisting commercial fishermen and will be able to again pay some optional costs which have temporarily been suspended, such as transportation to return the fisherman from the medical facility, extensions above maximum limits, and assistance after discharge from the hospital (convalescence benefits). The Fund would then fulfill the intent envisioned with its implementation in 1951.

Without passage of Senate Bill No. 658, Fishermen's Fund will be insolvent, and probably the law should be repealed.

FISHERMEN'S FUND BALANCE PROJECTIONS WITH LEGISLATION  
(Actual figures above dividing line; estimates below)

	July 1 Starting Balance	Adjustment	Receipts	Expenditures	June 30 Ending Balance
FY '79	\$ 698.5	\$	\$ 393.2	\$ 364.3	\$ 727.4
FY '80	727.4	65.7	402.3	461.7	602.2
FY '81	602.2	29.7	409.8	502.5	479.9
FY '82	479.9	48.7	410.0	650.0 (200.0 G.F.)	391.2
FY '83	391.2		877.6	765.0	503.8
FY '84	503.8		1,230.0	880.0	853.8
FY '85	853.8		1,230.0	1,000.0	1,083.8

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Senate Bill 658  
 Title "An Act increasing the fees for a commercial fishing license."  
 Requested by Senate Labor & Commerce Date 1/18/82

II. FISCAL DETAIL

Agency Affected Labor  
 Program Category Affected PUBLIC Protection  
 BRU, Program, Or Subprogram(s) Affected Fishermen's Fund  
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

FULL TIME	0	0	0	0	0	0
PART TIME						
TEMPORARY						

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

Revenue from commercial fishing license fees and permits is inadequate to support the Fishermen's Fund which receives sole support from these fees. This legislation would increase the revenue and continue the program to aid fishermen on a self-supporting basis. Income projections from this legislation are:

	FY 83	FY 84	FY 85	FY 86	FY 87
Limited Entry Permits	420.0	450.0	450.0	450.0	450.0
Crewmember Licenses	457.6	780.0	780.0	780.0	780.0
<b>Totals</b>	<b>877.6</b>	<b>1,230.0</b>	<b>1,230.0</b>	<b>1,230.0</b>	<b>1,230.0</b>

Assumes January 1 1983 effective date.

IV. DATE 1/18/82

PREPARED BY Michael W. Smith  
 AGENCY Department of Labor  
 PHONE 465-2720

Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)  
 33-001 (Rev. 12/81)

S

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6



DIVISION OF BUSINESS LOANS

Loan Type	Maximum Loan	Interest Rate	Maximum Term
Commercial Fishing	\$ 500,000	9.5%	15 years
Fisheries Enhancement	6,000,000	9.5%	30 years
Child Care Facilities	50,000	7.0%	10 years
Residential Care Facilities	20,000	7.0%	10 years
Alternative Technology	10,000	9.5%	20 years
Alternative Energy Systems	10,000	5.0%	20 years
Residential Energy Conservation	5,000	5.0%	10 years
Bulk Fuel	50,000	Changes	1 year
Mining	5,000,000	10.0%	15 years
Fishermen's Mortgage and Note	100,000	10.5%	15 years
Historical District	100,000	7.5%	30 years

Note: Small Business and Tourism loans are now handled by the Alaska Industrial Development Authority (AIDA) and Commercial Fishing loans by the Alaska Commercial Fishing and Agriculture Bank (CFAB) and AIDA.

USES OF LOANS:

**Commercial Fishing** To purchase limited entry permits. (Loans for the purchase of vessels and gear are handled by AIDA and CFAB.)

Eligibility: Five year State resident, one year fishing experience.

**Fisheries Enhancement** To plan, construct and operate hatchery facilities. (If request is for more than \$1,000,000, the applicant must be a qualified regional association.)

Eligibility: Qualified regional associations or private nonprofit corporations approved by a regional association.

**Child Care Facilities** To construct, renovate, or equip child care facilities in order to obtain or renew a license for the facility.

Eligibility: The applicant submits to the department a plan for the use of the loan funds which is approved by the commissioner.

**Residential Care Facilities** To construct, renovate or equip residential care facilities in order to obtain a license. (A residential care facility is a foster home, group home or institution which provides 24-hour nonmedical care for dependent adults.)

Eligibility: Residential care facility which can be licensed when the improvements made with the loan funds are completed.

Alternative Technology  
and Energy Systems

To develop means of energy production utilizing energy sources other than fossil or nuclear fuel; the purchase, construction and installation of an alternate energy system which is likely to result in energy conservation or energy cost savings; the development and implementation of methods of waste disposal, recycling, food production, transportation, building design, and industrial enterprise which may be more efficient, less costly, and less energy intensive than methods presently utilized.

Eligibility: Project must be in Alaska.

Residential Energy  
Conservation

To purchase, construct, and install energy conservation improvements in residential buildings.

Eligibility: Project approved by certified energy auditor.

Bulk Fuel

To assist communities in purchasing bulk fuel.

Eligibility: Organized municipality or unincorporated village with a population under 2,000, or individual endorsed by the municipality.

Mining

To underwrite advanced mineral exploration, development or mining in Alaska.

Eligibility: Resident individuals, corporations, and partnerships which have five years' mining or prospecting experience in Alaska.

Fishermen's Mortgage  
and Note

To purchase from private financial institutions mortgages and notes made to repair, restore or upgrade existing vessels and gear, purchase entry permits and gear, construct or purchase a vessel.

Eligibility: State resident for five years, not eligible for any other state or federal loan program for same purpose, has no occupational opportunities other than commercial fishing and is economically dependent on commercial fishing.

Historical District

For the restoration, improvement, rehabilitation or maintenance of a historical structure.

Eligibility: Structure must be within a historical district established by the Historic Sites Advisory Committee.

STATISTICS ON COMMERCE LOAN PROGRAMS

	Small Business	Commercial Fish	Tourism	Child Care	Fish Enhancement	Water Resource	Historical District	Alternative Energy	Residential Energy	Mining	Bulk Fuel	Fish Mortgage & Note	TOTAL**
Total No. Loans Committed FY '72-82	1,342	1,978	59	15	51	5	8	1,080	457	21	17	5	5,038
Total Dollar Amount Committed FY '72-82	202,325,306	114,046,668	29,874,673	253,167	14,502,562	2,500,000	417,750	4,814,346	1,717,036	14,839,284	606,000	236,527	386,133,319
Total No. Loans Committed FY '81	302	435	4	1	22	-0-	-0-	442	158	15	1	-0-	1,380
Total Dollar Amount Committed FY '81	46,961,591	21,205,619	4,318,825	9,000	4,733,474	-0-	-0-	2,243,251	601,884	9,935,284	50,000	-0-	90,058,928
Total No. Loans Committed FY '82	-0-	97	-0-	3	9	-0-	2	637	299	6	16	5	1,074
Total Dollar Amount Committed FY '82	-0-	4,812,366	-0-	110,167	2,783,730	-0-	125,000	2,570,814	1,126,879	4,904,000	556,000	236,527	17,225,483
FY '82 Appropriation**	-0-	4,500,000	-0-	180,000	8,000,000	-0-	200,000	*4,250,000	*4,250,000	30,000,000	1,000,000	1,800,000	54,180,000
Disbursements (No. of Loans)*** Through 1/31/82	-0-	97	-0-	3	8	-0-	2	651	310	6	16	5	1,098
Disbursements (Dollars) Through 1/31/82	-0-	4,686,082	-0-	110,167	2,783,730	-0-	125,000	2,552,696	1,115,877	4,939,000	539,386	236,527	17,088,165
Appropriations Not Disbursed Available for Loans FY '82	-0-	-0-	-0-	69,833	5,216,270	-0-	75,000	1,697,304	3,134,123	25,061,000	460,614	1,563,473	37,277,617
Total No. Outstanding Loans	661	1,557	18	8	36	1	4	920	394	9	-0-	-0-	3,608
Total Dollar Amount Loans Outstanding	74,310,000	78,380,000	4,400,000	90,000	14,040,000	910,000	260,000	3,935,000	1,419,000	8,560,000	-0-	-0-	186,304,000
No. of Applications Received FY '82	7	177	1	3	10	-0-	2	704	324	12	12	17	1,269

\* An additional 2,500,000 was appropriated for the energy programs in rural areas.

\*\* 120,000 was appropriated to the residential care program. No applications have ever been received.

\*\*\* This figure includes loans closed, loans in the process of closing and partial disbursements on construction loans.

The FY '81 appropriation to the Division of Business Loans was \$93,900,000. This amount was allocated between the programs to meet the demand for loans in specific areas.

DIVISION OF VETERANS' AFFAIRS  
MONTHLY ACTIVITY REPORT

MONTH ENDING January, 1982

	Beginning Balance		Payoffs		Net Adjustments		Transfers/Deletes		Principal Payments	Plus New Loans		Ending Balance	
	No.	Amount	No.	Amount			No.	Amount				No.	Amount
Veterans'	167	6,941,251.71	1	98.50	-	3.87		-105,636.89	17,792.46	(1)	65,500.00	167	6,883,219.99
Treasury	2502	109,057,102.84	18	315,069.47	+	1,713.66		- 53,500.00	401,463.20		-0-	2484	108,288,783.83
AHFC	2146	114,084,082.91	8	378,982.76		-142,895.31		+ 68,863.20	95,996.38		-0-	2138	113,535,071.66
<b>Total</b>	<b>4815</b>	<b>230,082,437.46</b>	<b>27</b>	<b>694,150.73</b>		<b>-141,185.52</b>		<b>- 90,273.69</b>	<b>515,252.04</b>	<b>(1)</b>	<b>65,500.00</b>	<b>4788</b>	<b>228,707,075.48</b>

**INCOME SUMMARY**

Alaska Housing Finance Corp.

Department of Revenue

TOTAL INCOME TO VETERANS' FUND

1. Interest	<u>619,620.38</u>		<u>610,301.33</u>		1. Interest - V.A.	<u>37,068.48</u>
Less Service Fee	<u>41,333.24</u>		<u>40,772.85</u>		Service Fee - Treas.	<u>41,333.24</u>
Total Interest		<u>578,287.14</u>		<u>569,528.48</u>	Service Fee - AHFC	<u>40,772.85</u>
2. Principal Payments	<u>95,996.38</u>		<u>401,463.20</u>		2. Principal Payments	<u>17,792.46</u>
Payoffs	<u>378,982.76</u>		<u>315,069.47</u>		Payoffs	<u>98.50</u>
Net Adjustments	<u>142,895.31</u>		<u>1,713.66</u>		Net Adjustments	<u>3.87</u>
Total Principal		<u>617,874.45</u>		<u>718,246.33</u>	Late Charges	<u>10,524.02</u>
		<u>1,196,161.59</u>		<u>1,287,774.81</u>	Total Principal	<u>147,593.42</u>

**LITIGATION**

	Beginning Balance		New Accounts		Less Repossessed/ Judgement		Plus Debits	Less Credits	Taken out of Fore- closure/Repossessed		Ending Balance	
	No.	Amount	No.	Amount	No.	Amount			No.	Amount	No.	Amount
Foreclosure												
Non-F/C												
Active	21	1,085,242.18	5	278,682.23			1,489.83	4,395.16	2	76,400.05	24	1,284,619.03
<b>Total</b>												

Judgement	3	93,533.90				275.00			3	93,808.90
Repossessed	6	593,058.61				4,060.21	1,450.00		6	595,668.82

**Assumptions**

Approved

Disapproved

Extensions

Approved

Disapproved

Beginning	<u>140</u>	<u>1</u>	<u>1</u>	<u>46</u>	<u>14</u>
This Month	<u>7</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Ending	<u>147</u>	<u>1</u>	<u>1</u>	<u>46</u>	<u>14</u>

½ JV assumptions: 52-220-4936-6 Fischback \$63,815.64 53-210-1213-3 Simmons \$64,294.80

S B

702

COMMITTEE REPORT

HOUSE

FURTHER: FINANCE

(7)

3/31/82

Date: \_\_\_\_\_

Mr. Speaker:

The Committee on RESOURCES has had CSSSSB 702 (Fin)

"An Act transferring parts of certain fiscal year 1982 Agricultural Action Council appropriation allocations to the Nenana-Totchaket agricultural development project; making a special appropriation to the Department of Commerce and Economic Development for distribution of additional salmon enhancement tax receipts to regional associations; and providing for an effective date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass  do not pass
- do pass with attached amendment(s)
- replace with CS for \_\_\_\_\_  same title  
 new title
- and recommends \_\_\_\_\_
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING

DO PASS

*Elliott Sutchoff*  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
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MEMBERS HAVING

OTHER RECOMMENDATIONS:

\_\_\_\_\_  
 \_\_\_\_\_  
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*Elliott Sutchoff*  
 \_\_\_\_\_  
 CHAIRMAN

# Alaska State Legislature

BETTYE FAHRENKAMP, CHAIRMAN  
VIC FISCHER, VICE-CHAIRMAN  
BRAD BRADLEY  
DICK ELIASON  
DON GILMAN  
BOB MULCAHY  
ARLISS STURGULEWSKI



POUCH V  
STATE CAPITOL  
JUNEAU, ALASKA 99811  
(907) 465-3834  
(907) 465-3835

## Senate

### Committee on Resources

February 10, 1982  
1:40 p.m.

Beltz Room  
211 - Capitol

#### MEMBERS PRESENT

Senator Fahrenkamp  
Senator Fischer  
Senator Bradley  
Senator Eliason  
Senator Gilman  
Senator Mulcahy  
Senator Sturgulewski

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#### Hearing:

SB 275 An Act relating to the compensation of persons collecting hunting and fishing license and tag fees.

SB 702 An Act transferring parts of certain fiscal year 1982 Agricultural Action Council appropriation allocations to the Nenana-Totchaket agricultural development project; and providing for an effective date.

SJR 60/HJR 74  
Requesting the Secretary of Commerce to disapprove certain portions of the Bering-Chukchi Sea Fishery Management Plan.

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#### SB 275

Lou Bandirola, Deputy Director, Division of Sport Fish, Alaska Department of Fish and Game, testified that the Department could support the bill if the compensation to the vendors came from the general fund, and if on page 2, line 6 the word 'perr t' was changed to 'tags'.

Senator Fahrerkamp stated that the Committee's intent was that the money would come from the general fund.

Senator Sturgulewski moved that the bill be changed to list the funding source as the general fund, and on page 2, line 6 to delete 'permit' and insert 'tags' in its place.

Senator Fahrerkamp directed that a transmittal letter be sent to Finance along with the bill, stating that the source of the increased compensation would depend upon whether license fees are substantially increased.

Senator Gilman moved the bill with individual recommendations.

\*  
SB 702 \*

Carl Amstrup, Executive Director, Alaska Agriculture Action Council, stated that a portion of the funds SB 702 would transfer to the Nenana-Totchaket project are needed to carry the Delta II East project to completion, and to pursue the problems associated with Delta II West. If funds are transferred, he would like them used for roads into the tracts so work can begin.

Senators Sturgulewski and Fischer expressed concern over the economic feasibility of the Nenana-Totchaket project, with Senator Fischer referring to the fact that no funds are provided for Nenana in the Governor's proposed FY '83 budget.

Amstrup stressed the need for an in-state feed base for livestock. He anticipates a yearly savings of \$100 million in food costs from in-state production by 1990.

Bob Palmer, Coordinator of Special Projects, Office of the Governor, said Alaska barley is selling for \$130 ton; barley in Seattle is \$120 ton plus \$60 ton for shipping. At present, nearly all the barley produced in the state (approximately 8,000 tons in 1981) is being consumed in-state.

Nick Carney, Director, Division of Agriculture, Department of Natural Resources, expressed concern that the amount of money in SB 702 is inadequate. Money is needed first for survey, so there can be a good description of the land being sold. The town of Nenana has estimated a total cost of \$17,659,000 for roads.

Senator Mulcahy moved the bill with individual recommendations.

SJR 60/HJR 74

Senator Mulcahy's subcommittee on fisheries heard testimony on this resolution. He stated that it is supported by the Alaska Department of Fish and Game and the United Fishermen of Alaska. The resolve clauses have been amended to be identical with HJR 74.

Senator Gilman moved HJR 74 with individual recommendations.

The meeting was adjourned at 2:50 p.m.

LEGISLATION SUMMARY

SSSB 702: "An Act transferring parts of certain fiscal year 1982 Agricultural Action Council appropriation allocations to the Nenana-Totchaket agricultural development project; and providing for an effective date."

GENERAL: This bill would transfer \$1,879,170 within the Agricultural Action Council FY 1982 budget from the Delta II project to the Nenana-Totchaket project.

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PRIME SPONSOR: Sackett

CO-SPONSOR(S): Fahrenkamp; Kertulla



STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

MEMORANDUM

To: The Honorable Bettye Fahrenkamp  
Chairman  
Senate Resources Committee

From: W. I. "Bob" Palmer/ by J. Hickey in his absence  
Special Projects Coordinator  
Office of the Governor

Date: January 28, 1982

Re: FY '82 Appropriation for Delta II -  
Shift of Funds via Legislation to Nenana  
Totchaket Development Project

The following figures represent our best estimates of what the Alaska Agricultural Action Council (AAAC) will need to implement Phase I of the Delta II East Project from the FY '82 Delta II appropriation to the AAAC listed on pp. 156 and 157 of Chapter 82, SLA 1981.

The figures are based on input from Carl Amstrup, Executive Director of the AAAC; Glen Franklin, Contracts Administrator for the Delta I Project, who will be in charge of clearing contracts and general supervision for the Delta II East Project; and myself (via current computations given to me long distance).

1. Delta II Survey/Disposal Allocation: \$699,100

Obligated to date according to the records maintained in this office: \$442,730

Funds needed to complete survey of Delta II West, based on Governor Hammond's charge to the AAAC on January 21, 1982 (see attached press release), to proceed on a work plan to generate information on several aspects of the Delta II West Project; and on other survey/disposal costs which may accrue to Delta II East: \$256,370

Amount available for Nenana: -0-

January 28, 1982

2. Delta II Clearing Loans Allocation: \$4,000,000

Obligated to date: -0-

Funds needed by AAAC for clearing loans for first phase of Delta II East clearing: \$3,000,000

Explanation: The amount that is projected as needed for clearing for Delta II East for FY '82 and FY '83 is \$5,000,000 total. This factor was uppermost in computing the clearing fund balance that can be shifted for the Nenana Project.

Amount available for Nenana: \$1,000,000

3. Delta II Roads Allocation: \$2,622,800

Obligated to date: -0-

Funds needed by AAAC for construction of access roads in Delta II East at a cost of \$75,000 a mile for 22.5 miles, plus costs associated with construction, such as right-of-way work, pit stripping, gravel work, survey crew, etc.: \$2,000,000

Amount available for Nenana: \$622,800

4. Delta II Clearing Equipment Allocation: \$30,000

Obligated to date: -0-

Funds needed by AAAC for clearing equipment for Delta II East: \$30,000

Explanation: This equipment can be shifted from one project to another; however, to begin with, it is needed on Delta II East.

Amount available for Nenana: -0-

5. Delta II Grain Storage Facility Loan Allocation: \$1,650,000

This allocation cannot be shifted to the Nenana Project based on projections at this point.

Amount available for Nenana: -0-

FY '82 Appropriation for Delta II: \$9,001,900

R E C A P

<u>ALLOCATION</u>	<i>Delta II</i> <u>AMOUNT NEEDED BY AAAC</u>	<u>AMOUNT AVAILABLE FOR NENANA</u>
Survey Disposal \$699,100	442,730 <del>699,100</del>	256,370 -0-
Clearing Loans \$4,000,000	\$3,000,000	\$1,000,000
Roads \$2,622,800	\$2,000,000	\$622,800
Clearing Equipment \$30,000	\$30,000	-0-
Grain Storage Facility Loan \$1,650,000	\$1,650,000	-0-
<b>TOTALS:</b> \$9,001,900	<del>\$7,378,100</del> \$ 7,122,730	<del>\$1,622,800</del> \$ 1,879,170

	ALLOCATIONS	APPROPRIATION ITEMS	APPROPRIATION GENERAL FUND	FUND SOURCES OTHER FUNDS
1				
2				
3	*****	*****	*****	
4	***** DEVELOPMENT *****	***** DEVELOPMENT *****	*****	
5	*****	*****	*****	
6	OFFICE OF THE GOVERNOR			
7	ALASKA INTERNATIONAL DEVELOPMENT COMMISSION			
8	<del>YUKON FERRY OVERSIGHT (ED 3A)</del>			
9	DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT			
10	ECONOMIC ENTERPRISE			
11	FISHERIES ENHANCEMENT GRANTS (ED 17 & 18)	100,000	100,000	1
12	FISHERIES SUPPORT & SERVICE INDUSTRY	150,000	150,000	1
13	SHISHMARE - FREEZER (ED 22)	386,000	386,000	1
14	TOURISM			
15	VISITOR CENSUS AND ECONOMIC IMPACT SURVEY	250,000	250,000	1
16	ENERGY & POWER DEVELOPMENT			
17	LONG-TERM ENERGY PLAN	600,000	600,000	1
18	INSTITUTIONAL BUILDINGS GRANTS	1,385,000	885,000	500,000 1
19	FAIRBANKS - WIND & SOLAR MONITORING EQUIPMENT (ED 20)	50,000	50,000	1
20	<del>WELSON CONSERVATION PROJECT</del>			
21	ALASKA POWER AUTHORITY			
22	<del>LA TONGUE ISLAND HYDRO PROJECT (ED 3)</del>			
23	<del>STUDY - YUKON-TAIXA WOOD CANYON WOODSHOPPER</del>			
24	AGRICULTURAL ACTION COUNCIL			
25	DELTA II - SURVEY/DISPOSAL (ED 19)	9,001,750	9,001,700	2

PAGE 156

Chapter 82

FCCSMB 50

DEVELOPMENT (CONT.)

LINE	DESCRIPTION	ALLOCATIONS	APPROPRIATION	APPROPRIATION FUND SOURCES		
			ITEMS	GENERAL FUND	OTHER FUNDS	
4	DELTA II - CLEARING LOANS (ED 19)	2,000,000				
5	DELTA II - ROADS (ED 19)	700,000				
6	DELTA II - CLEARING EQUIPMENT (ED 19)	1,000,000				
7	DELTA II - GRAIN STORAGE FACILITY LOAN (ED 19)	2,022,000				
8	PT. MCCENZIE - CLEARING EQUIPMENT (ED 6)	1,000,000	275,000	335,000		
9	DELTA I (ED 19)		<del>225,000</del>	<del>225,000</del>		
10	LIVESTOCK FACILITY LOAN		949,000	949,000		
11	NAMED RECIPIENT GRANTS (AS 37.05.315)		2,450,000	2,450,000		
12	BRISTOL BAY NATIVE ASSOCIATION-DEVELOPMENT PLAN (ED 16)		125,000	125,000		1
13	<del>FATBANKS TOWN &amp; VILLAGE ASSOCIATION ENERGY PLAN (ED 08)</del>		<del>70,000</del>	<del>70,000</del>		1
14	ARCTIC SEA-SEAFOOD MARKET DEVELOPMENT PROJECT		140,000	140,000		1
15	MINORITY BUSINESS ENTERPRISE-MANAGEMENT PROGRAM (ED 20)		300,000	300,000		1
16	DEPARTMENT OF NATURAL RESOURCES					1
17	AGRICULTURAL MANAGEMENT					1
18	PLANT MATERIALS CENTER BUILDING (ED 19)		298,500	298,500		1
19	A PLANT MATERIALS CENTER WILL BE ESTABLISHED IN THE	277,000				1
20	CIRCLE/STREESE HIGHWAY AREA IN ORDER TO PROVIDE					1
21	FOUNDATION SEED AND OTHER PLANT MATERIALS SENSITIVE TO					2
22	UNIQUE NORTHERN CLIMATIC CONDITIONS GOVERNING					2
23	AGRICULTURE IN THE AREA.					2
24	PLANT MATERIALS CENTER GREENHOUSE (ED 6)					2



# Alaska State Legislature

## Senate

### RESOURCES COMMITTEE

Pouch V  
State Capitol  
Juneau, Alaska 99811

Official Business

SB 702

MENO TO FILE

2/8/82

Telephone conversation with Lee Stoops of Senator Sacket's staff.

He stated that he had not received anything in writing from Mayor Coghill on the proposed uses of the funds to be transferred to the Nenana-Totchaket development project.

However, Steve Braniner, Engineer for the Project, outlined, verbally, the projected uses as follows:

Bridge materials	900,000
Parcel Survey	300,000
Road Construction	664,170
Administration	<u>15,000</u>
	\$1,879,170

S B

731

HOUSE

(7)

FURTHER:

3/26/82

Date: \_\_\_\_\_

Mr. Speaker:

The Committee on RESOURCES has had CSSB 731(Res)

"An Act establishing the Shuyak Island State Park; and providing for an effective date."

under consideration and ~~(a-majority-of-the-committee)-(the-committee)-----~~ reports it back with the following recommendations:

- do pass  do not pass
- do pass with attached amendments(s)
- replace with CS for \_\_\_\_\_  same title  
 new title
- and recommends \_\_\_\_\_
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

\_\_\_\_\_

\_\_\_\_\_

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CHAIRMAN

ALASKA STATE LEGISLATURE

TWELFTH Legislature SECOND Session

SENATE ... BILL ..... NO. ... 731.

By .. MULCAHY .....

"An Act establishing the Shuyak Island State Park; and providing for an effective date."

Introduced in the Senate ..... 2/9/19... 82

HISTORY IN THE SENATE

19 82	Read first time and referred to Committee on																				
2 9	Resources																				
3 23	Reported back with <i>Res. replace w/ CS-5 do</i> recommendation that <i>pass to Rules</i>																				
3 24	<i>Rules: Calendar 4/15</i>																				
3 26	Read second time and <i>OS (Res) adj. adv</i>																				
3 26	Read third time and																				
3 26	<table border="0"> <tr> <td>PASS <i>ed</i></td> <td>Effective Date</td> </tr> <tr> <td>Yeas 16</td> <td>Yeas</td> </tr> <tr> <td>Nays 1</td> <td>Nays <i>same</i></td> </tr> <tr> <td>Absent 1</td> <td>Absent</td> </tr> <tr> <td>Excused 3</td> <td>Excused</td> </tr> </table> <p>Reconsideration</p> <table border="0"> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> </table>	PASS <i>ed</i>	Effective Date	Yeas 16	Yeas	Nays 1	Nays <i>same</i>	Absent 1	Absent	Excused 3	Excused	PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused
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5 26	Reported correctly engrossed																				
26	Signed by President																				
24	Sent to House																				
<i>Roger Mulligan</i> SECRETARY OF THE SENATE																					

HISTORY IN THE HOUSE

19 82	Read first time and referred to Committee on																				
Mar 26	<i>Resources</i>																				
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	Signed by Speaker																				
	Returned to Senate																				
CHIEF CLERK OF THE HOUSE																					

HISTORY IN THE SENATE

19	Received from House
	To enrolling
	Reported correctly enrolled
	Sent to Governor
	..... by Governor
	Filed with Lt. Governor
	Chapter No. ....

# KODIAK ISLAND BOROUGH

ENTERED MAR 15 1982

Telephones 486-5736 - 486-5737 — Box 1246

KODIAK, ALASKA 99615

SB 731

October 7, 1981

The Honorable Bob Mulcahy  
The State Senate  
State of Alaska  
Box 246  
Kodiak, Alaska 99615

Dear Senator Mulcahy:

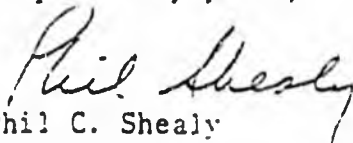
Enclosed find a certified copy of Kodiak Island Borough Resolution No. 81-71-R requesting state legislation to create the Aleksandr Baranov State Game Refuge as well as Resolution No. 81-72-R requesting state legislation to create the Shuyak Island State Park. Both resolutions were unanimously passed at the regular Borough Assembly meeting on October 1, 1981 and are accompanied by proposed language for the text of the act. We have also enclosed a copy of a letter from Dale P. Tubbs, Land Management Consultant for the Kodiak Island Borough, dated August 17, 1981 outlining the steps necessary to effect the Agreement of Settlement and Consent Decree between the Borough and the State of Alaska.

As you can see from the letter, the Kodiak Island Borough is to use its best efforts to have legislation introduced to create the state park and state game refuge on Shuyak Island for those portions not be conveyed to the Kodiak Island Borough.

We hope that you would be able to assist in the adoption of the proposed legislation and would urge you to contact either myself or the mayor and Borough Assembly for further particulars on this matter.

Thanking you in advance for your assistance in this matter, I remain,

Respectfully yours,

  
Phil C. Shealy  
Borough Manager

Enclosures

mdc

A RESOLUTION OF THE KODIAK ISLAND BOROUGH ASSEMBLY REQUESTING STATE LEGISLATION TO CREATE THE ALEKSANDR BARANOV STATE GAME REFUGE.

WHEREAS, on August 14, 1981 the Superior Court ordered the Agreement of Consent Decree to effectively dismiss the appeals the Kodiak Island Borough brought against the Alaska Department of Natural Resources in regards to its lands selections, and

WHEREAS, a condition in the Agreement of Settlement and Consent Decree is that the Kodiak Island Borough is to use its best efforts to have legislation introduced to create a State Park and State Game Refuge on Shuyak Island for those portions not to be conveyed to the Kodiak Island Borough, and

WHEREAS, the Aleksandr Baranov State Game Refuge is established to protect fish and wildlife habitats and population of all fish and wildlife species, particularly deer and brown bear, feeding, wintering and migration areas as well as to provide public uses of fish and wildlife in their habitat for hunting, viewing, photography and general recreation in a high quality environment, and

WHEREAS, the Kodiak Island Borough has caused to be prepared a proposed bill entitled "An Act Creating the Aleksandr Baranov State Game Refuge".

NOW, THEREFORE, BE IT RESOLVED by the Kodiak Island Borough Assembly that legislation entitled "An Act Creating the Aleksandr Baranov State Game Refuge" be introduced and assigned a number providing for the creation of said state game refuge.

BE IT FURTHER RESOLVED by the Kodiak Island Borough Assembly that the Borough administration be directed to send this resolution to Senator Mulcahy and Representatives Sutcliffe and Zharoff and implore their assistance in the successful adoption of this legislation.

PASSED AND APPROVED this 1st day of October, 1981 by the Borough Assembly.

KODIAK ISLAND BOROUGH

By A. D. [Signature]  
Borough Mayor

ATTEST:

By [Signature]  
Borough Clerk

I, Margaret E. Duros, do certify this to be a true and correct copy of Resolution No. 81-71-F passed and approved by the Kodiak Island Borough Assembly on October 1, 1981.

## AGREEMENT OF SETTLEMENT

and

CONSENT DECREE

The parties to this agreement are the State of Alaska, Department of Natural Resources, through its Division of Forest, Land and Water Management ("the State") and the Kodiak Island Borough ("KIB").

Whereas, pursuant to AS 29.18.201-.213 KIB is entitled to select 56,500 acres from state general grant land within its boundaries, and has filed such selections in the manner provided by statute; and

Whereas, a considerable portion of the land selections filed by KIB were rejected by the State on the grounds that the lands selected had been previously classified by the State for a use or purpose which disqualified those lands for conveyance to KIB pursuant to AS 29.18.201 et seq., or had been designated as state interest lands pursuant to AS 38.05.047; and

Whereas, by reason of said selections by KIB and rejections by the State, the parties are currently involved in three separate judicial appeals from administrative decisions which are now pending in the Superior Court, Third Judicial District under case numbers JAN-80-3070 (Woody Island), JAN-80-6710 (Land Classification); and JAN-81-1385 (Shuyak Island); and

Whereas, both parties desire to settle finally the question of those lands which will be conveyed to KIB in satisfaction of its statutory land entitlement, and further desire to resolve this question in the near future without extended litigation, and to resolve pending litigation.

Now, therefore, the parties agree as follows:

1. a. The State agrees to convey to KIB, as soon as practicable, the lands now owned by the State or hereafter acquired pursuant to Section 6 of the Alaska Statehood Act and which are described in Exhibit A (Shuyak Island) and Exhibit B (other lands). Open to Entry parcels under lease within lands described in Exhibit B which expire shall be conveyed to KIB up expiration. All conveyances shall be completed not later than nine (9) months after execution of this agreement, except that, with respect to lands as to which the state has not yet received tentative approval, within nine (9) months after tentative approval.

b. KIB agrees that it will invoke its land regulatory powers, including zoning powers, to disallow in the west one-half of Section 10, T. 19 S., R. 20. W., S.M. fronting on Big Bay on Shuyak Island heavy industrial uses incompatible with use and enjoyment of adjacent park or public recreation lands. The Borough agrees to guarantee reasonable public access through the above described parcel for the purpose of utilizing adjacent park or public recreation lands. The State may reserve in the patent to these lands the right to re-enter and take possession upon the determination, by a court of competent jurisdiction, that KIB has breached this paragraph.

2. KIB agrees to execute a quitclaim deed to the State for the property described in Exhibit C (Pillar Creek Watershed and Woody Island).

3. In the event that at any time in the future the state-selected or state-tentatively approved lands described in Exhibit D are finally determined not to be subject to conveyance under the Alaska Native Claims Settlement Act (P.L. 92-203, 43 U.S.C. Sec. 1601 et. seq.) as amended for any reason, the State agrees that it will convey those lands to KIB upon receipt

of written notice from KIB of its election to receive such  
lands.


4. In the event that all or part of the lands described in Exhibit D are conveyed to KIB, KIB agrees to reconvey to the State, (in sequence from an easterly to a westerly direction), an equal number of acres from lands on Shuyak Island previously conveyed by the State to KIB pursuant to Paragraph 1.a. of this Agreement. Such reconveyance by KIB to the State shall be made first from Area I, and then from Area I which are described below:

Area I. The area within protracted Sections 29, 30, 31, and 32, T. 19. S., R. 19 W., S.M. lying west of the agreed-upon proposed Aleksandr Baranov Game Refuge described in Paragraph 6 below.

Area II. Those lands lying within T. 18 S., R. 19 W. and T. 18 S., R. 20 W., S.M. which are east of Carry Inlet and west of Shangin Bay.

5. If lands described in Exhibit D and which are conveyed by the State to KIB pursuant to paragraph 3 of this Agreement exceed in acreage the lands designated as Area I and Area II in Paragraph 4 above, KIB agrees to reconvey to the State additional sections of land on Shuyak Island until such reconveyances within Area I and Area II are equal in total acreage to the acreage of the lands described in Exhibit D which have been conveyed to KIB. Such additional conveyances shall be designated by KIB from any lands on Shuyak Island then owned by KIB, or designated for transfer to KIB pursuant to this Agreement, provided that such lands are compact and contiguous with other lands on Shuyak Island which are then in state ownership.

6. KIB agrees to attempt to obtain introduction and passage of legislation in the Alaska State Legislature which



would create a state game refuge denominated the "Aleksandr Baranov State Game Refuge" consisting of the lands described in Exhibit E. KIB agrees to support introduction of such legislation beginning with the 1981 legislative session, and to support early passage of such legislation, provided that KIB is not obligated to support inclusion of tide or submerged lands except upon mutual agreement with the state with respect to the regulatory implications of such inclusion. The State agrees to support such legislation in good faith, by such oral and written testimony as may be appropriate.

7. KIB agrees to attempt to obtain introduction and passage of legislation in the Alaska State Legislature creating state park denominated the "Shuyak Island State Park" and consisting of all lands described in Exhibit F. KIB agrees to support introduction of such legislation beginning with the 1981 legislative session, and to support early passage of such legislation, provided that KIB is not obligated to support inclusion of tide or submerged lands except upon mutual agreement with the state with respect to the regulatory implications of such inclusion. The State agrees to support such legislation in good faith, by such oral and written testimony as may be appropriate.

8. In the event that lands to be included in the proposed "Aleksandr Baranov State Game Refuge" or the proposed "Shuyak Island State Park", referred to in Paragraph 6 and 7 respectively, are not finally included by legislation in the proposed game refuge or park, such lands shall be at all times classified and managed by the State in a manner maintaining and enhancing such lands for wildlife habitat and public recreation purposes. Otherwise KIB shall be entitled to select those lands not so classified and managed, and the State shall thereupon promptly transfer the selected lands to KIB. Upon transfer of such lands to KIB, KIB shall reconvey equivalent acreage to the State from Shuyak Island in the manner provided in Paragraph 4 and thereafter in the manner provided in Paragraph 5.

9. The State will designate, on lands owned by it, public easements for the benefit of KIB and the public, each of which shall be 200 feet in width, to provide public access from the line of mean high tide westerly to lands on Shuyak Island which have been conveyed to KIB pursuant to Paragraph 1 of this agreement. The easements will be in the following areas, as more specifically indicated on the attached map entitled Exhibit B, and further subject to exact location in the field:

- A. Traversing Section 26, T. 18 S., R. 19 W., S.M.;
- B. Traversing Sections 15 and 16, 21 and 22, of T. 19 S., R. 19 W., S.M.;
- C. Traversing Section 32, T. 19 S., R. 19 W., S.M..

In the event that lands are conveyed to the State pursuant to paragraphs 4 and 5 above, those easements designated in subparagraph A, B, and C of this paragraph shall be reserved so as to continue through such lands.

10. The State shall reserve the easements described in Exhibit G. With respect to easements reserved pursuant to AS 38.05.127 or other applicable provision of law, on all other lands conveyed to KIB, their location shall be determined by the borough, subject to approval by the Department of Natural Resources, prior to conveyance by the borough to a private third party.

11. The State and KIB agree that this Agreement is intended by the parties to resolve all outstanding legal and factual differences between them concerning the application of the Municipal Land Selection Act (AS 29.18.201-.213), including particularly, pending Superior Court lawsuits numbered JAN-80-3070, JAN-80-6710, and JAN-81-1385. To achieve this result, the parties agree to accomplish the following actions promptly upon execution of this Agreement:

- a. KIB agrees to relinquish its nominations, selections, and selection approvals not designated for transfer to KIB in this Agreement and further

agrees not to litigate or otherwise challenge the retention by the State of such lands.

- b. KIB agrees not to litigate or otherwise challenge retention by the State of those public easements depicted in Exhibit G.
- c. The State agrees to accept from KIB the relinquishment of those nominations, selections, and approved selections required by this Agreement, and to accept future selections and reconveyances by KIB pursuant to Paragraphs 4, 5, and 8.
- d. All previous transfers of land from the State to KIB are hereby affirmed. Nothing herein affects KIB's right to apply for land under AS 38.05.315 or other applicable law, excluding AS 29.18.201-212.
- e. The State and KIB agree that the terms of this Agreement shall constitute a consent decree and judgment to be presented to the Superior Court for entry in final settlement and dismissal of all pending litigation between the parties with respect to KIB land selections under AS 29.18.201-.215, such pending litigation consisting of the following pending judicial appeals from administrative decisions:
  - JAN-80-3070 (Woody Island)
  - JAN-80-6710 (Land Classification)
  - JAN-81-1385 (Shuyak Island)
- f. All such litigation shall be dismissed upon execution and court approval of this Agreement as Consent Decree, with each party to bear its own costs and attorney's fees.

12. The State and KIB agree that this Agreement, together with its Exhibits A through H, embodies all of the terms and conditions of the Agreement for settlement of pending litigation and for conveyance of all lands due to KIB pursuant to AS 29.18.201-213, and that no additional enforceable agreements or commitments exist between them with regard to this subject which are not contained in the text of this Agreement and its Exhibits. The parties reserve the right, by mutual consultation and agreement, to correct if necessary any technical errors or omissions in the specific land descriptions comprising Exhibits A through H herein, so as to more nearly conform to the mutual intentions of the parties with regard to implementation of this Agreement

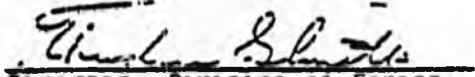
DATED this 19<sup>th</sup> day of June, 1981.

DEPARTMENT OF NATURAL RESOURCES

KODIAK ISLAND BOROUGH

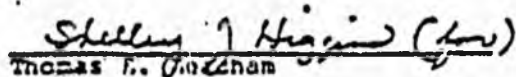
  
COMMISSIONER

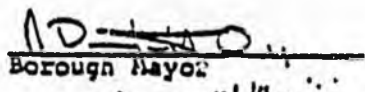
STATE OF ALASKA

  
Director, Division of Forest,  
Land & Water Management

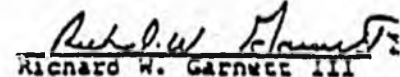
Attest:   
Municipal Land  
Selections Officer

APPROVED AS TO FORM:

  
Thomas F. O'Leary  
Assistant Attorney General  
State of Alaska

  
Borough Mayor

Attest:   
Borough Clerk

  
Richard W. Garnett III  
Attorney, Kodiak Island  
Borough

ORDER

IT IS ORDERED, that the foregoing Agreement of Settlement and Consent Decree is hereby adopted and approved and

shall be enforceable as a judgment of the court.

DATED this 12 day of August, 1981 at  
Anchorage, Alaska.

S/ Daniel A. Moore Jr.  
Judge of the Superior Court

LAND PLANNING REPORT  
PROPOSED ALEKSANDR BARRANOV STATE GAME REFUGE,  
SHUYAK ISLAND  
September 23, 1981

RECEIVED

NOV - 3 1981

7 8 9 10 11 12 1 2 3 4 5 6 PM

Existing Classification - Forestry - SC-80-037  
Recommended Classification - Wildlife Habitat  
Acreage - Approximately 10,400 acres of uplands

Proposed Classification/Justification

The proposed classification is wildlife habitat. This classification action will implement the Agreement of Settlement and Consent Decree between the State of Alaska and the Kodiak Island Borough.

Location

The subject parcel is located on the eastern portion of Shuyak Island and includes adjacent small islands and offshore rocks. Shuyak Island is the northernmost major island in the Kodiak archipelago. It is 50 miles north of Kodiak, Alaska and 85 miles southwest of Homer, Alaska.

Legal Description

(Unsurveyed land--All sections are protracted)

Beginning at the E 1/16th corner common to Sections 23 and 26, T18S, R19W, S.M.;

Thence south-southwesterly, approximately 8.86 miles to the section corner common to Sections 31 and 32, T19S, R19W, S.M., and Sections 5 and 6, T20S, R19W, S.M.;

Thence westerly along the township line between Townships 19 & 20 South, Ranges 19 and 20 West, S.M., approximately 2.5 miles to the  $\frac{1}{4}$  corner common to Section 35, T19S, R20W, S.M. and Section 2, T20S, R20W, S.M.;

Thence southerly along the N-S centerline of Section 2, T20S, R20W, S.M. approximately 0.5 miles to the center  $\frac{1}{4}$  corner of said Section 2;

Thence southeasterly approximately 2.5 miles to the section corner common to Sections 5, 6, 7 and 8, T20S, R19W, S.M.;

Thence northwesterly, approximately 7.5 miles to the section corner common to Sections 20, 21, 28 and 29, T19S, R18W, S.M.;

(Unsurveyed land--All sections are protracted) (continued)

Thence northerly approximately 11 miles to the section corner common to Sections 28, 29, 32 and 33, T17S, R18W, S.M.;

Thence westerly approximately 5 miles to the section corner common to Sections 27, 28, 33 and 34, T17S, R19W, S.M.;

Thence southerly approximately 5 miles to the section corner common to Sections 21, 22, 27 and 28, T18S, R19W, S.M.;

Thence easterly approximately 1.75 miles to the E 1/16th corner common to Sections 23 and 26, T18S, R19W, S.M., the point of beginning.

This description contains approximately 10,400 acres of uplands.

#### Background

The Kodiak Island Borough pursuant to AS 29.18.201-.213 is entitled to select 56,500 acres from State general grant land within its boundaries and has filed such selections in the manner provided. However, a considerable portion of the land selections filed by the Kodiak Island Borough were administratively rejected by the State. As a result the Kodiak Island Borough filed three separate judicial appeals of the administrative decisions in the Superior Court, Third Judicial District under case numbers 3AN-80-3070 (Woody Island), 3AN-80-6710 (Land Classification), and 3AN-81-1385 (Shuyak Island). Both parties desired to settle the question of which lands will be conveyed to the Kodiak Island Borough without extended litigation and entered into an agreement of settlement and consent decree which was approved and adopted by the court.

Section 6 of the Agreement of Settlement and Consent Decree provides both parties shall support legislation to create a State game refuge denominated the "Aleksandr Baranov State Game Refuge" on the subject parcel.

Section 8 of the Agreement of Settlement and Consent Decree provides that in the event the lands to be included in the proposed "Aleksandr Baranov State Game Refuge" are not finally included by legislation such lands shall be at all times classified and managed by the State in a manner maintaining and enhancing such lands for wildlife habitat and public recreation purposes.