

ALASKA LEGISLATURE COMMITTEE FILES 1987-1988 8672

4984 HRES HB 492 - HB 524

556

The capital projects portion of the plan would be a supplemental capital budget. We do not seek to alter the Governor's Jobs Bill as it is a necessary relief measure which will distribute State money throughout the whole State. However, along with relief, it is necessary for the State to target economic development projects which will move the State's economy ahead.

#### PLAN ELEMENTS:

1) Primary production: Many companies want to locate onshore in Alaska. Our communities do not have the basic infrastructure to accommodate this development. \$6 million in capital projects in Unalaska/Dutch Harbor will bring \$60 million dollars of private investment in fish processing, cold storage, salvage and other associated services. The projects are a water and sewer extension and an 800 foot extension of the City Dock. (See attached project description #1). It is Unalaska's #1 capital projects priority.

St. Paul harbor completion - \$4 million is already included in the Governor's capital budget so the Bottomfish industry can locate some of their operations in the Pribilofs.

2) Services and marketing: Anchorage is the logical location for the service center for Alaska's Bottomfish industry. It means millions of dollars a year to Seattle's economy and it can mean the same thing for Anchorage's economy if we analyze which segments of the service industry it is reasonable to locate in Anchorage. We can then design an aggressive campaign to show our existing businesses which services are needed and also convince new businesses to locate in Anchorage.

The obvious industries are cold storage and transportation at Anchorage International Airport, banking, primary and secondary processing, office location (the price is right), fisheries data bank location, retailing parts and commodities to rural fish production centers such as marine repair parts, food, automobiles, processing equipment, etc.

The cost of this project is \$232,000. (See attached project description #2)

3) Value added processing: Most of the value added in the Bottomfish industry is in processing the product to final form. Most of our seafood leaves the State in the least processed form possible, sometimes even frozen whole.

The purpose of the Fisheries Industrial Technology Center (FITC) in Kodiak is to provide research and training on value added processing techniques. Dr. Jong Lee expresses the philosophy of the Center: "When I think of fish I see money -- Kodiak is left with the fish guts and the smell and somebody else gets the money."

The FITC will be an important addition to Alaska's strategy to keep more of the jobs in Alaska. This project is 7 million dollars and is Kodiak's #1 capital project priority. (See attached Project Description #3)

4) Information Systems: A computerized fisheries information system is necessary to provide information on fisheries performance, research and import/export marketing information. This information system would be a function of the Port of Anchorage through a working agreement with other ports and private users in Alaska who would pay for operational costs through users fees. The cost for establishing the system, including hardware is \$250,000. (See attached project description #4)

5) To become more self-sufficient in port and harbor development, Southwest Alaska should form into an Economic Development District under EDA or should join with Anchorage and other Alaskan ports to form the Alaska Port Authority.

6) Support the proposal by Southwest Alaska Municipal Conference before the North Pacific Fisheries Management Council (NPFMC) to implement the priority U.S. cargo carriers and bulk fuel distributors are given under the Magnuson Act. The proposal would require foreign JV processors to utilize domestic support capacity before foreign operations could be brought in. This would mean millions of dollars of support activity for Alaskan ports.

7) Support the allocation of a percentage of the total Bottomfish quota directly to Alaska coastal communities as a Community Development Quota. The smaller villages especially need this development quota to ensure that they will benefit from Bottomfish development. Federal Bottomfish limited entry proposals could otherwise legally disenfranchise our people from participating in the fishery.

8) Orient our local and University school systems to train Alaskans so they can fully participate in the development of the fishery. So often we wring our hands about other people taking our work when in fact we also need to make the commitment to offer qualified people.

The State legislature should amend the State raw fish tax law to allow processors to check off 3% of their fish tax which would be administered by the Department of Education. Funds would be granted to secondary school systems to allow for development of fisheries education programs in local schools.

9) Establish the Governor's proposed Alaska Science and Technology Foundation. This is necessary to accomplish applied research to keep us current with new trends in the industry.

10) Extend the effective date of the State's investment tax credit program on fish tax to encourage on shore processing development. Last year this program was responsible for more than \$49 million of private investment in onshore operations.

11) Resource protection: Establish a mandatory observer program on floating processing vessels. Support enforcement measures to control foreign fishing in our waters, including a mandatory check-in, check-out system. Support bi-lateral agreements with the Soviet Union on taking fish management control in the "Donut hole" under the closed and semi-closed seas section of the Law of the Sea Convention. Oppose increases in the Bottomfish quota at this time until illegal foreign fishing and other management uncertainties can be eliminated.

CONCLUSION: The State has a responsibility not only to provide relief for hurting Alaskan communities. We also have the responsibility to build our economy for the future. This Bottomfish development plan is an ambitious but realistic proposal to ensure that Alaskans benefit from this developing industry. Other people may be able to indicate further opportunities in Bottomfish development. This is a good start.

The additional capital project portion of this plan is \$13.7 million dollars. The appropriation of these funds is a sound investment in the future of Alaska.

For more information contact:

Paul Fuhs, Mayor, City of Unalaska, (907)581-1251  
Jerome Selby, Mayor, Kodiak Island Borough, (907)486-5736  
Tom Fink, Mayor, City of Anchorage, (907)343-4804

# CITY OF UNALASKA

P.O. BOX 89  
UNALASKA, ALASKA 99685  
(907) 581-1251

## SYNOPSIS OF ESSENTIAL CAPITAL PROJECTS CITY OF UNALASKA FY 89



### Ballyhoo Road Water and Sewer

#### WATER

The water project would replace approximately twenty thousand feet of World War II vintage water line varying in size from 3 inch galvanized iron to 12 inch wood stave line. The new line would be 12"-20" ductile iron pipe.

The Delta Western Complex which presently exists is seriously under utilized because there is not enough water pressure to provide sprinklers in two of their new warehouses.

Icicle Seafoods has brought in a barge for fish processing and has a long term development plan for property they have leased from the Ounalashka Corporation. Without additional water capacity these plans will not be able to be carried out.

The Ounalashka Corporation has had a number of inquiries from processors, and service providers about leasing land along the road, but the lack of city services makes the land undevelopable. There is no other area of the community that is close to tidewater that can be used by deep draft vessels. The total cost of the water project is estimated to be \$2,638,000.

With the addition of the Icicle barge which is now processing fish, there has been a substantial reduction in water pressure at the Ballyhoo Dock, the major watering point for large vessels. This slows the turnaround time on the dock, worsening the dock congestion problem.

#### SEWER

The sewer project would extend the city sewer system to this area which is presently unserved. It would bring in approximately 10,000 feet of sewer line which would make the area useful. DEC has prohibited further development of the area without a public sewer.

The Ounalashka Corporation and the City of Unalaska, both of which are land owners along Ballyhoo Road have had to turn down requests for long term land leases because of the lack of a public sewer in the area.

The City of Unalaska has had some preliminary engineering done on this project which gives a cost estimate of \$1,298,000 for a conventional system. This would assure a relatively trouble free line which would be handling extensive industrial activity.

#### DOCK EXPANSION

The third priority component of the City of Unalaska's capital requests is the expansion of the Ballyhoo Dock. This project would include an 800 foot extension to the existing 400 foot dock, removal of rock from a hillside on the property to provide additional staging area, and placement of the rock in the water to increase the amount of available land for storage and transshipment of cargo.

We expect fifteen to twenty factory trawlers to be using the facility in the next year. We have presently seven factory trawlers each using the facility every twenty days to load supplies and unload three million pounds of fish product at each off load.

In addition Petro Marine Services has put a multi-million dollar tank farm on the uplands on the Ballyhoo Dock property. This tank farm has pumped many millions of gallons of fuel oil to fishing, processing, and cargo vessels in the six months it has been in operation. The agreement we have with Petro Marine calls for first priority to be given to vessels loading and unloading cargo. The lack of additional docking facility reduces Petro Marine's ability to deliver fuel, and revenue to the city from the sale. In the first two weeks of this year, 114 fishing vessels were denied moorage at city dock facilities due to lack of space.

The companies desiring to locate on Ballyhoo Road if we can provide the basic infrastructure are: Icicle Seafoods, Artic Storm, Amfish and Golden Alaska (fish processors); Sunmar, Delta Western and Sealand Services (shipping and cold storage); Fred Devine Salvage and Marco-Seattle (vessel repairs); and Hokodate Seimo Sengu a net manufacturer.

The total cost of the dock project is \$2,350,000.

# ANCHORAGE BOTTOM SH ANALYSIS AND MARKETING PROGRAM

## PROJECT DESCRIPTION #2

Phase I will be structured into four main tasks:

1. Strategic review of the industry's potential in Anchorage comprising of:
  - \* an assessment of what types of businesses in Anchorage are currently participating in the industry and their level of involvement
  - \* an assessment of the opportunities and constraints facing existing businesses
  - \* estimates of current demand and projections of future demand
  - \* competitive factors influenced by Anchorage's geographic location
  - \* cost structures for Anchorage firms
2. Strategic review of key needs necessary to expand and build the industry's presence in Anchorage.
3. Develop business strategies by industry sector to attract business away from Seattle and to attract other U.S. domestic firms or subsidiaries of foreign firms.

Phase II: Implement a market driven industry expansion program targeted on U.S. domestic firms and subsidiaries of foreign firms with operational bases in the U.S.

The purpose of Phase II is to actively market Anchorage as a desirable location for selected whitefish industry sectors. Active marketing means that targeted firms would be called upon at their offices. This approach is proposed to avoid the "bookshelf study syndrome" that often characterizes economic development activities. And, more importantly, this approach has the highest probability of successfully attracting increased investment into Alaska's whitefish industry. We stand a better chance of convincing a target company of the potential of the

whitefish industry in Alaska if we meet them on their own ground with reliable and relevant market and cost information. The strategies developed in Task 3 above would be presented by the marketing team.

Phase II will be structured into three tasks:

1. Industry sectors (e.g. processing, cold storage, and transportation) having the greatest potential for future expansion in Alaska would be selected for marketing follow up.
2. Identify target firms:
  - \* Alaskan firms with potential to service the industry but not currently doing so
  - \* U.S. domestic (non-Alaskan)
  - \* Foreign firms with U.S. subsidiaries
3. Implement U.S. domestic marketing program--Office marketing calls will be made on the target firms. Specific industry information including comparative cost data, market data, and other data relevant to a business relocation or investment decision will be presented during the marketing call.

Phase III: Implement a Marketing Program Targeted on Foreign Firms

The purpose is to identify and target Japanese and European secondary processors and cold storage firms involved in the whitefish industry to locate a processing plant or cold storage facility in one of three Alaskan communities: Unalaska, Kodiak or Anchorage.

The scope will cover those companies involved in secondary whitefish processing and cold storage who are located in either Japan or Europe. In Europe, we will concentrate on the following countries:

- \* UK
- \* Norway
- \* Germany
- \* France
- \* Portugal

There will be three major elements to the project:

- \* overview of the European and Japanese whitefish and cold storage industries
- \* identifying target firms
- \* office marketing calls on the target firms with specific industry information about investment opportunities in Alaska

1. OVERVIEW OF EUROPEAN AND JAPANESE WHITEFISH AND COLD STORAGE INDUSTRY AND MARKETS

This will be a summary report. It will highlight key strategic factors influencing these markets at the present. The purpose of this overview is to enable us to tailor our marketing materials in a manner that is responsive to the market environment that the target firms are currently dealing with. For example, the reliability of raw material supplies is becoming increasingly important to European processors. The dollar-yen exchange rate will influence any Japanese processor that expects to export product to U.S. markets.

The overview will include the following:

- Industry Structure
- Number of companies
  - Type of companies (integrated)
  - Organization

### Customer Structure

#### Important competitive weapons

- Quality
- Range of products
- Price
- Delivery
- Availability of raw materials
- Age of plant and equipment
- Application of technology

#### Distribution

- Geographic
- Channels
- Distance to markets
- Transportation systems

#### Taxation

#### Factors of Production

- Labor cost
- Land cost/value
- Utility cost
- Regulatory

#### Markets

- Volumes
- Life cycle
- Market saturation
- Growth
- Shares

## 2. IDENTIFY THE PROSPECTS

First, a selection criteria will be developed to be used to evaluate and select target companies. We will use basic information (a.g. turnover, products, and location) to make the first cut at selecting target firms. For firms that appear to have significant potential, we will develop a basic target firm profile including:

Species processed

Size

Markets

Products

Type of processing--primary, secondary

Type of food industry served

Ownership

This information will be used to establish a number of likely prospects for focused marketing purposes.

3. IMPLEMENT FOREIGN FIRM MARKETING PROGRAM

Office marketing calls will be made on the target firms. Specific industry information including, comparative cost data, market data and other data relevant to a business relocation or investment decision will be presented during the marketing call.

**COST**

The costs for completing the Alaska Whitefish Industry Program have been estimated for each phase of the work. A more refined scope of services and better understanding of the schedule and consultant responsibilities could result in lesser or greater costs.

Project Phase	Out of Pocket	Professional Fees	Total
Phase I	\$ 4,000	\$ 40,000	\$ 44,000
Phase II	16,000*	36,000	52,000
Phase III	72,000*	64,000	136,000
<b>TOTAL</b>	<b>\$92,000</b>	<b>\$140,000</b>	<b>\$232,000</b>

**\*Out-of-Pocket Breakdown**

Phase II	\$ 4,000	Target firm data acquisition cost
	2,000	Miscellaneous postage, telephone, mileage, etc.
Phase III	10,000	Domestic travel and per diem for two to present program to target firms
	\$ 32,000	European market overview and initial contact with target firms (quote from a European consultant 1987)
	16,000	Japanese market overview and initial contact with target firms (quote from Japanese consulting firm 1987)
	22,000	Travel and per diem cost for both Europe and Japan marketing trip for two
	2,000	Miscellaneous postage, telephone, mileage, etc.

## FISHERIES INFORMATION NETWORK (FIN)

Essential to the success of this bottomfish development package, good market research and information access to all who need it is addressed through this world-class Fisheries Information Network (FIN). Computer-based, this system will permit fast access to market data, business intelligence and business contact facilitation.

### BASIC SCOPE OF CONTENT:

- Current and historical market pricing by species and other marine products covering key European, North American, and Asian markets;
- Fish and marine product market and business intelligence from all appropriate published and non-published sources;
- Translation of key Japanese sources for market pricing, technologies and business intelligence;
- International and domestic marine products trading opportunities;
- Domestic and international trade flow by species and port;
- Marine product cargo analysis by port, product and destination via air and sea routes;
- Interactive contact facilitation service for Alaskan businesses;
- Fisheries and seafood technology covering research, product developments, international and domestic patents;
- Directory of technical and business assistance experts;
- Library holdings and article retrieval;
- International communication (telex, telegram and electronic mail) and bulletin board services;
- Industry directory of suppliers;

### IMPLEMENTATION AND ACCESS:

Most of the core elements can be implemented within 2 months and nearly all of the above concepts can be implemented within 4 months from start-up. Direct mail, articles, and presentations will be used to market the system to users. User needs surveys provide additional design input.

The system will be available online for computer dial-up and will be supported by trained analysts for user assistance, research requests, etc. via computer and telephone. Use of the online computer system will not require any prior experience with computers or programming. A range of print products (bulletins, newsletters, etc.) can be easily be supported as well.

An Anchorage walk-in information center can be easily included where users can access the system through on-site terminals and avail themselves of print literature and staff assistance.

### FUNDING AND SUPPORT:

We anticipate two analysts will be required to support users, promote usage of the system, and manage inputting to the system.

Its first full-year budget will require approximately \$250,000. Ongoing funding will come from a structured user fee schedule to meet the needs of individual, corporate and governmental users. Supplementary funding will be sought from various grant sources and specific project work.

II. UNALASKA

TABLE II-1  
POPULATION OF UNALASKA,  
1939-1981

<u>Year</u>	<u>Total Population</u>	<u>Residents</u>	<u>Non- Residents</u>	<u>Data Source</u>
1939	298	-	-	Alaska Consultants 1981
1950	173	-	-	U.S. Bureau of the Census
1960	218	-	-	U.S. Bureau of the Census
1967	254	-	-	Unalaska City Council files
1970	342	178	164	U.S. Bureau of the Census
1972	548	430	118	Unalaska City Council Census
1973	510	-	-	Unalaska City Council Census
1977	1,971	615	1,256	Tryck, Nyman and Hayes, 1977
1980	-	724 <sup>a</sup>	-	U.S. Bureau of the Census
1981	1,944	1,054	890	Department of Labor, State Demographer, State of Alaska: Special Census of Unalaska

<sup>a</sup>Arrived at by subtracting 598 persons living in group quarters from total population of 1,322.

NOTE: Adapted from John Petterson et al., Unalaska: Ethnographic Study and Impact Analysis. Social and Economic Studies Program Technical Report Number 92. Anchorage Minerals Management Service, August 1983, page 83.

Provided by the City of Unalaska - Pertains to House Bill 492

BALLYHOO WATER PROJECT

ESTIMATED COST: \$2,638,000

PROJECT COST BY SPECIAL ASSESSMENT PER FRONTAGE FOOT

COST IF ALL FRONTAGE WAS ASSESSABLE:

OWNER	FRONT FOOTAGE	%	PORTION OF COST
1. UNISEA	2,600	0.07	195,491
2. EASTPOINT	1,780	0.05	133,836
3. AIRPORT	1,700	0.05	127,821
4. POWER PLANT	500	0.01	37,594
5. CITY DOCK	1,425	0.04	107,144
6. DELTA WESTERN	2,400	0.07	180,453
O.C. LEASES	12,490	0.36	939,108
UNIMPROVED LAND	12,190	0.35	916,552
	<u>35,085</u>	<u>100.00%</u>	<u>2,638,000</u>

ACTUAL ASSESSABLE FRONTAGE FOOTAGE:

OWNER	FRONT FOOTAGE	%	PORTION OF COST
1. UNISEA	2,600	0.11	299,576
2. EASTPOINT	1,780	0.08	205,095
3. AIRPORT	1,700	0.07	195,877
4. POWER PLANT	500	0.02	57,611
5. CITY DOCK	1,425	0.06	164,191
6. DELTA WESTERN	2,400	0.10	276,532
O.C. LEASES	12,490	0.55	1,439,119
	<u>22,895</u>	<u>100.00%</u>	<u>\$2,638,000</u>
UNIMPROVED LAND	12,190	NOT ASSESSABLE	

BALLYHOO SEWER PROJECT

ESTIMATED COST: \$1,125,000

PROJECT COST BY SPECIAL ASSESSMENT PER FRONTAGE FOOT

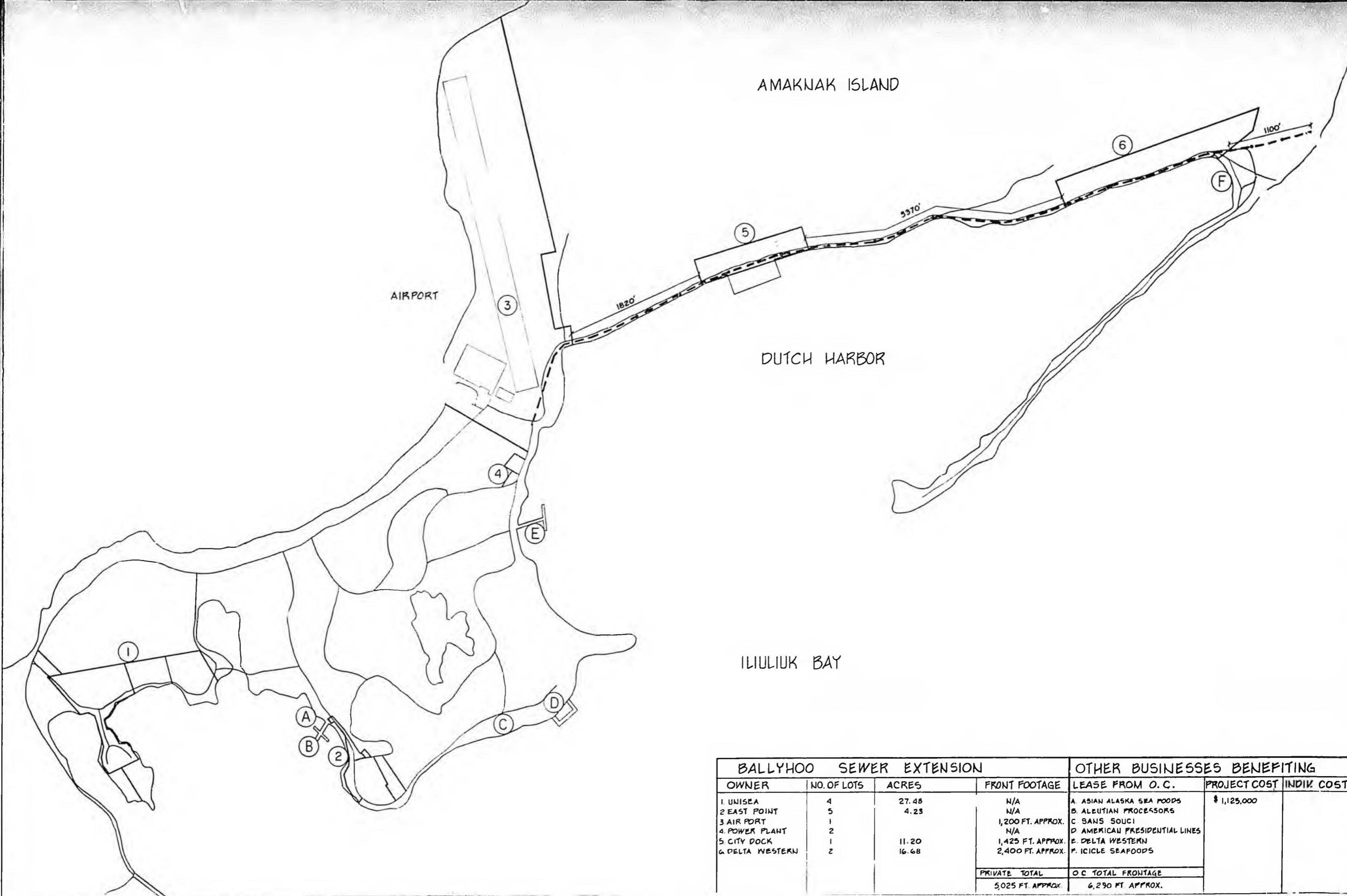
COST IF ALL FRONTAGE WAS ASSESSABLE:

OWNER	FRONT FOOTAGE	%	PORTION OF COST
1. UNISEA	N/A	0.00	0
2. EASTPOINT	N/A	0.00	0
3. AIRPORT	1,200	0.07	81,645
4. POWER PLANT	N/A	0.00	0
5. CITY DOCK	1,425	0.09	96,953
6. DELTA WESTERN	2,400	0.15	163,290
		0.00	0
O.C. LEASES	6,290	0.38	427,956
UNIMPROVED LAND	5,220	0.32	355,156
	-----	-----	-----
	16,535	100.00%	1,125,000

ACTUAL ASSESSABLE FRONTAGE FOOTAGE:

OWNER	FRONT FOOTAGE	%	PORTION OF COST
1. UNISEA	N/A	0.00	0
2. EASTPOINT	N/A	0.00	0
3. AIRPORT	1,200	0.11	119,311
4. POWER PLANT	N/A	0.00	0
5. CITY DOCK	1,425	0.13	141,681
6. DELTA WESTERN	2,400	0.21	238,621
		0.00	0
O.C. LEASES	6,290	0.56	625,387
	-----	-----	-----
	11,315	100.00%	\$1,125,000
UNIMPROVED LAND	5,220	NOT ASSESSABLE	

Provided by the City of Unalaska - Pertains to House Bill 492



AMAKNAK ISLAND

AIRPORT

DUTCH HARBOR

ILIULIUK BAY

BALLYHOO SEWER EXTENSION				OTHER BUSINESSES BENEFITING		
OWNER	NO. OF LOTS	ACRES	FRONT FOOTAGE	LEASE FROM O. C.	PROJECT COST	INDIV COST
1. UNISEA	4	27.48	N/A	A. ASIAN ALASKA SEA FOODS	\$ 1,125,000	
2. EAST POINT	5	4.23	N/A	B. ALEUTIAN PROCESSORS		
3. AIR PORT	1		1,200 FT. APPROX.	C. SANS SOUCI		
4. POWER PLANT	2		N/A	D. AMERICAN PRESIDENTIAL LINES		
5. CITY DOCK	1	11.20	1,425 FT. APPROX.	E. DELTA WESTERN		
6. DELTA WESTERN	2	16.68	2,400 FT. APPROX.	F. ICICLE SEAFOODS		
			PRIVATE TOTAL	O. C. TOTAL FRONTAGE		
			5,025 FT. APPROX.	6,290 FT. APPROX.		

H B

5 10

# STATE OF ALASKA

## DEPARTMENT OF FISH AND GAME

OFFICE OF THE COMMISSIONER

STEVE COWPER, GOVERNOR

P.O. BOX 3-2000  
JUNEAU, ALASKA 99802-2000  
PHONE: (907) 465-4100

February 25, 1988

The Honorable Mark Boyer  
Alaska State Legislature  
P.O. Box V  
Juneau, AK 99811

Dear Representative Boyer:

As promised, we have completed our review of HB 510. As I indicated during the hearing February 23, the Department of Fish and Game stands ready to work with the Department of Revenue and the Legislature to effect an orderly transfer of the license sales function from the Department of Revenue to the Department of Fish and Game. While at first glance this transfer may seem to be a simple and straight forward transaction, our review of the past several days has indicated otherwise. Careful planning at this stage will, I believe, result in a much more efficient and much more cost effective method for making fishing, hunting, and trapping licenses available to the public while at the same time assuring timely return to the state of license sales revenue.

Before detailing some of the concerns we have regarding HB 510, let me call to your attention several items that will help make our fiscal note more accurately reflect actual dollar amounts. As you review the fiscal note, please keep in mind the following:

Six positions are presently funded to Department of Revenue from the General Fund.

\$662.0 is presently budgeted to Department of Revenue from the General Fund to operate the program.

\$159.0 of the \$940.4 is a one-time request.

Under contractual services, the bulk of those dollars are monies paid to licensed vendors.

Keeping in mind the above facts regarding the present General Fund monies for the Department of Revenue, the transfer costs to a new, more streamlined operation in a

The Honorable  
Mark Boyer

-2-

February 25, 1988

centralized location appear much more reasonable. We are now in a position to outline for you in more detail how we think this transfer can be accomplished to provide better administration of an important revenue generating activity.

Our work with the Department of Revenue brought out very early on the fact that the section within the Department of Revenue has been consistently underfunded and understaffed. This is most apparent in two areas: data processing and revenue collection. Inadequate data processing capability has meant that other state agencies have been unable to obtain vitally needed information useful to their activities. At the same time inadequate data processing has meant that no statistical information was available to enable a timely collection effort. ~~The Department of Revenue~~ believes that at least \$100,000 and perhaps as much as \$300,000 is not being collected from vendors. Our proposal remedies the funding and data processing problems and, with changes to the legislation, would address the collection problem

You will notice that our proposal includes a new schedule for vendor compensation. Vendors currently keep 5 percent of the proceeds of license sales. This amounts to approximately \$400,000. In addition, they receive another \$350,000 to \$450,000 annually based on \$1 per license sold. Department of Revenue is funded for only \$356,000 of this amount. For the past several years, the Department of Revenue has been compelled to return to the Legislature for supplemental appropriations. Our proposal includes maintenance of the five percent of sales, but adds a graduated scale for reimbursement on the number of licenses sold.

Included with my letter is a copy of HB 510 (referred to earlier) which we have marked with orange to highlight our suggested changes. Most all of these are self explanatory.

I would hope that at some point in our discussions regarding HB 510, I can talk with you briefly regarding the Fish and Game Fund and our federal obligations regarding it and at the same time review with you past difficulties regarding proper crediting of interest to the Fish and Game Fund as required under Title 16. Perhaps you could help us resolve what appears to me to be a long-standing problem.

I can assure you the Department of Fish and Game looks forward to the opportunity presented by this transfer. Our review of the present program leads us to believe that with sufficient General Fund resources we can develop an efficient and modern system for fishing and hunting license sales and for the timely collection of monies due to the state. Be assured that I will personally do what I can to

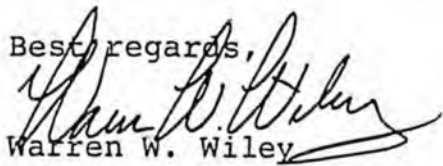
The Honorable  
Mark Boyer

-3-

February 25, 1988

work with you, the Department of Revenue, and others involved to see that this transfer is done correctly and in the best interests of the people of Alaska.

Best regards,

  
Warren W. Wiley  
Deputy Commissioner

Enclosure



STATE OF ALASKA  
OFFICE OF THE GOVERNOR

**BILL ANALYSIS**

DEPARTMENT Fish and Game	DIVISION Administration	BILL NUMBER HB510	SPONSOR Rep. Boyer
SHORT TITLE OF BILL An Act transferring responsibility for the issuance of certain licenses...			
DEPARTMENT POSITION In favor of bill.			
PREPARED BY Beverly Reaume	DATE 02/24/88	COMMISSIONER'S SIGNATURE <i>Don Gilmsont</i>	DATE 2-24-88

**SUMMARY**

OTHER AGENCIES AFFECTED BY BILL Department of Revenue	CONSTITUENT GROUP(S) AFFECTED BY BILL
ORGANIZATIONAL SUPPORT FOR BILL	ORGANIZATIONAL OPPOSITION TO BILL

FISCAL IMPACT:  NONE  FISCAL NOTE ATTACHED

BACKGROUND/LEGISLATIVE INTENT  
The intent of HB510 is to transfer all responsibility for the sale of all fishing and hunting licenses from the Department of Revenue to the Department of Fish and Game.

ANALYSIS OF BILL/PROGRAM EFFECTS  
Please see enclosed.

AMENDMENTS PROPOSED  
See enclosed highlighted copy of HB510.

PLEASE ATTACH A SEPARATE SHEET FOR ADDITIONAL COMMENTS OR ANALYSIS.

DEPARTMENT OF FISH AND GAME  
Bill Analysis on HB 510

Brief analysis and explanation for proposed increases/decreases:

In analyzing the current licensing function, the Department of Fish and Game (ADF&G) has found that the section is critically in need of a complete revamping. There are currently something in excess of 900 vendors who sell 450,000 fishing/hunting licenses, 40,000 to 60,000 crew member licenses plus assorted tags and stamps. Data entry and data manipulation appear to be inadequate. Data processing capabilities consist of a six year old mini computer that was never adequately programmed and does not begin to address information needs. For example, it was impossible for ADF&G to determine an exact number of vendors or get any idea of the volume per vendor without manually counting them. To remedy this we propose the following additions:

Personal Services:

Add a programmer to develop a state-of-the art processing system that will provide data to the various agencies in a timely matter, automatically calculate vendor compensation and activity, provide statistical data for follow-up collection efforts and replace the current labor-intensive method of handling licensing.

Add a data entry clerk to enter data from licenses and vendor reports. The Department of Revenue (DOR) estimates (see DOR fiscal note) that three additional employees would need to be added in order to adequately enter data. We (ADF&G) propose adding only one since we further intend to use optical scanning of licenses for a major portion of the data entry.

We propose to add an accounting supervisor and technician to develop and implement a system of reconciling vendor accounts and provide the necessary follow-up to collect all amounts due to the state. It appears that a minimum of \$100,000 and perhaps as much as 300.0 now remains uncollected from vendors due to a lack of staff and sufficient funding to allow audits and for collection enforcement.

Travel, Contractual, Supplies (excluding vendor compensation):

The licensing section must move from its current location by July 1, 1989. Included under this category are the necessary costs for that relocation. \$39,000 of that amount would be one-time costs. The remainder would cover future lease costs.

as a  
result  
of bill,  
or  
anyway?

The increase in printing would be for a complete redesign of the license form itself, primarily to accommodate optical scanning.

Also included in this category would be travel costs associated with vendor audits and reconciliation of their accounts, including collection efforts.

The remaining funds under this category would bring the section to full funding based on discussions with current DOR staff.

Vendor Compensation:

Currently vendors are compensated in the following manner:

Retention of 5% of sales; and

\$1 per license sold with a minimum of \$50

We proposed modifying this compensation as follows:

Retain the automatic retention of 5% of sales;

Modify the reimbursement for each sale as follows:

\$1 each for the first 50 licenses, with a \$50 minimum;

\$.75 for 50 to 250 licenses,

\$.50 for 251 to 500 licenses,

\$.25 for 501 and above licenses.

See schedule on last page for our analysis of change.

Equipment:

This allows for replacement of current inadequate equipment with data processing equipment that is compatible with existing ADF&G equipment (IBM compatible) and movement to optical scanning of licenses. We have had insufficient time to determine exactly what form the new system will take. That is, whether it would be micro- or mini-computer based. While the mainframe might be a logical choice, it is currently operating at its upper limits and it is doubtful that we could add another large, new system. The \$75,000 being requested would supply microcomputers if that proves satisfactory and would be a one-time cost. If we are required to remain on a mini-computer, this cost may be repeated for a couple of additional years.

As indicated above, optical scanning of licenses would be far more efficient than present labor-intensive data capture methods, even if they were adequately capturing data. This would be a one-time cost.

There are presently 16 file cabinets of information. While some of this is necessary in a hard copy form, much of it could be microfilmed. ADF&G currently has a microfilmer and the proposed request would expand this capability.

Also remaining files would be replaced by more space efficient verticle files.

HB 510  
Language Changes

\* Sec. 5. AS 16.05.390 is amended to read:

Sec. 16.05.390. FEES AND COMPENSATION FOR ISSUANCE OF LICENSES AND TAGS. (a) Except as provided in (e) of this section, an agent appointed and authorized by the commissioner [OF REVENUE] under AS 16.05.380 to sell licenses and tags is entitled to

(1) retain five percent of the fee that is charged for a license or tag or 25 cents for each license or tag sold, whichever is greater; and

(2) compensation of \$50 per year or for each license or tag sold during the year the amount of

- \$1 for the first 50,
- \$.75 for 51 to the 250,
- \$.50 for 251 to the 500, and
- \$.25 for 501 and above.

[\$1 FOR EACH LICENSE OR TAG SOLD DURING THE YEAR,] whichever is greater.

(b) Each agent authorized to sell licenses or tags under AS 16.05.380 shall, as directed by the commissioner [OF REVENUE], transmit the proceeds from the sales of licenses and tags, except the amount authorized to be retained, as provided in (a)(1) of this section, together with a report of the sales, to the commissioner for deposit in the fish and game fund or the general fund [.] and

(1) Funds and reports must be submitted to the commissioner by the 15th of the month following the month of the sale of the licenses and tags;

(2) Except as provided in (b)(4) of this section, funds not submitted to the commissioner by the 15th of the month following the month of the sale of the licenses and tags may be assessed a one and one-half (1-1/2) percent per month penalty charge on the gross license and tag sales for the period. Partial months shall be treated as full months;

(3) Penalties assessed in (b)(2) of this section will be withheld from compensation earned by the agent at the time the department calculates compensation earnings as provided in (c) of this section;

(4) The commissioner may extend the limitation provided in (b)(2) of this section by 30 days, if the agent demonstrates that such a limitation is not feasible and may cause excessive financial burden on the agent, and

(i) the gross license and tag sales for the agent in the period are less than \$ 1,000; and

(ii) the cumulative amount due to the state, including any amount due for the current period, does not exceed \$ 1,000.

(c) On March 31, June 30, September 30, and December 31 of each year the commissioner [OF REVENUE] shall calculate the compensation earned by an agent, net of any penalties as provided in (b)(2) of

*File - copy 15  
- draw of  
AD&G*

this section, under (a)(2) of this section. If the net compensation due exceeds \$50, the commissioner shall pay the net compensation not later than 30 days after the date for which the compensation was calculated. If the net compensation due is \$50 or less, the commissioner shall pay the net compensation not later than January 30 of the year following the year in which the compensation was earned. The commissioner shall pay compensation [IN AN AMOUNT EXCEEDING \$50] only for sales of licenses or tags for which the commissioner has received the report and proceeds required to be transmitted under (b) of this section.

(d) Compensation provided by this section shall be paid from appropriations made to the department [DEPARTMENT OF REVENUE] from the general fund.

(e) The provisions of (a) of this section do not apply to a state employee appointed by the commissioner [OF REVENUE] under AS 16.05.380 to sell licenses and tags.

\* Sec. 6. AS 16.05.400(b) is amended to read:

(b) A sport fishing, hunting or trapping license is not required of a resident who is 60 years of age or more and has been a resident for one year or more. The commissioner [OF REVENUE] shall issue a permanent identification card [WITHOUT CHARGE] to persons who qualify by age and residence and who complete the forms required by the commissioner and pay a one time \$10.00 filing fee for implementation of the subsection. A person who is issued a permanent identification card under this subsection shall have it in possession while sport fishing, hunting or trapping.

\* Sec. 9. AS 16.05.470 is amended to read:

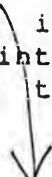
Sec. 16.05.470. FEE FOR ISSUANCE OF LICENSES AND INTERIM-USE OR ENTRY PERMITS. (a) A person appointed and authorized by the commissioner [OF REVENUE] to sell licenses under AS 16.05.440-16.05.480, except salaried employees of the state, shall retain the sum of 15 percent of the fee for the issuance of a license. An agent shall transmit monthly to the commissioner all license fees collected by the agent, less the authorized commission, together with a full accounting of the fees. The commissioner shall make monthly remittances of the fees collected to the proper state official. The commissioner is not liable for defalcation or failure to account for the fees collected by an agent, but the commissioner shall require a bond in the sum the commissioner considers adequate, conditioned upon the faithful accounting of money collected.

(b) A person appointed and authorized by the commissioner [OF REVENUE] under AS 16.05.440 - 16.05.480, except salaried employees of the state, shall retain the sum of 15 percent 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

They need to check w/ 3 from  
1800 issued annually  
Women will let me know

60 since with

Grandfather in all those who were 60 bef



Commission all application or renewal forms and fees collected by the agent, 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 the commissioner considers adequate, conditioned upon the faithful accounting of money collected.

(c) Funds not submitted to the commissioner or the Commercial Fisheries Entry Commission, as provided under (a) and (b) of this section, by the 15th of the month following the month of the sale of licenses and interim-use or entry permit fees may be assessed a one and one-half (1-1/2) percent per month penalty charge on the gross license and interim-use or entry permit sales for the period. Partial months shall be treated as full months. The commissioner may extend the limitation provided above by 30 days, if the agent demonstrates that such a limitation is not feasible and may cause excessive financial burden on the agent, and

(1) the gross license and interim-use or entry permit sales for the agent during the period is less than \$ 1,000; and

(2) the cumulative amount due to the state, including any amount due for the current period, does not exceed \$ 1,000.

*Δ to end of the mo.  
reporting also*

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_  
Title: An Act transferring responsibility  
for the issuance of certain fishing...  
Sponsor: Rep. Bover  
Requestor: Rep. Bover

Agency Affected: Fish and Game  
BRU: Administration & Support  
Components: Administrative Services

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES		386.9	390.0	390.0	390.0	390.0
TRAVEL		7.8	8.0	8.0	8.0	8.0
CONTRACTUAL		377.3	340.0	340.0	340.0	340.0
SUPPLIES		10.0	10.0	10.0	10.0	10.0
EQUIPMENT		120.0	*75.0	*75.0	0	0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		902.0	823.0	823.0	748.0	748.0
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND		902.0	823.0	823.0	748.0	748.0
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME		10	10	10	10	10
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary) \* may not be necessary

See enclosed.

Prepared by: Beverly Reaume, Director  
Division: Administration

Phone: 465-4120  
Date: 02/24/88

Approved by Commissioner: Don W. Collinsworth  
Agency: Fish and Game

Date: 02/24/88

Distribution (by preparer):

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

DEPARTMENT OF FISH AND GAME  
FISCAL NOTE TO ACCOMPANY HB510

Transfer of funding from the Department of Revenue:

Personal Services:

Revenue Licensing Supervisor	54.8
Accounting Supervisor I	46.7
Clerk Typist II	26.9
Accounting Clerk II	31.4
Clerk Typist III	28.3
Data Entry Center Supervisor	38.7
Subtotal	226.8

Contractual:

Vendor Compensation	355.6
Printing, Postage, Telephone	36.8
Wang VS & Maintenance Costs	39.0
Other Contractual	0.3
Subtotal	432.7

*may be add. +  
1 line  
next page*

Supplies: 2.6

TOTAL Transfer

662.1

Proposed additions/deletions by Fish and Game:

Personal Services:

Programmer/Analyst III	48.4
Data Processing Clerk I	28.5
Accounting Supervisor II	44.3
Accounting Technician II	38.9
Subtotal	160.1

Travel:

7.8

*Not statewide*

*Audits  
Collection  
Education*

*→ Public Service Investigator*

*→ Also used to do games of chance + skill  
he got abolished.  
Reestablished position  
but w/ intent + is  
may for  
Jones*

DEPARTMENT OF FISH AND GAME  
FISCAL NOTE TO ACCOMPANY HB510

*w/ proposed amendments*

Contractual:

<i>This may go</i>	Postage, Phones, Copier	14.5
	Printing	20.0
	Space (1100 sf @ 1.75)	31.5
	One time moving costs	
	move	5.5
	space modification	8.5
	telephone system	8.0
	furnishings	17.0
	Reduce vendor payments	-160.4
	Subtotal	-55.4

*This might come out*

*These probably stay*

*Pending language*

*As.*

Supplies:

7.4

Equipment (one time items):

<u>Computer</u>	75.0
Optical Scanner	30.0
Microfilm expansion	10.0
Verticle files	5.0
Subtotal	120.0

*Probably will be reduced by \$50,000*

**TOTAL Additions to FTG 239.9**

TOTAL FISCAL NOTE:

PERSONAL SERVICES	396.9
TRAVEL	7.8
CONTRACTUAL	377.3
SUPPLIES	10.0
EQUIPMENT	120.0
TOTAL	902.0

(159.0 of this request would be for one time items)

*\$ 8 million total*

*Sales & includes crew members*

## \*\*\*\*\* Method Number 1

IF AN AGENT SELLS:	# OF VENDORS	AVG # OF LICS	TOTAL # OF LICS	SINGLE VENDOR COMP	ALL VENDORS TOTAL COMP
Under 50 Licenses	667	30	20010	\$50	\$33,350
51 to 1000 License	183	450	82350	\$450	\$82,350
1001 to 5000 Licenses	65	2300	149500	\$2,300	\$149,500
5001 (above) Licenses	35	5775	202125	\$5,775	\$202,125
	950	8555	453985		\$467,325

## \*\*\*\*\* Method Number 2

IF AN AGENT SELLS:	# OF VENDORS	AVG # OF LICS	TOTAL # OF LICS	SINGLE VENDOR COMP	ALL VENDORS TOTAL COMP
Under 50 Licenses	667	30	20010	\$50	\$33,350
51 to 1000 License	183	450	82350	\$300	\$54,900
1001 to 5000 Licenses	65	2300	149500	\$775	\$50,375
5001 (above) Licenses	35	5775	202125	\$1,644	\$57,531
	950	8555	453985		\$196,156

Reduction in the cost of agent compensation if Method Number 2 is used over that of Method Number 1: \$271,169

## NOTES:

- 1) This Compensation analysis is not a report of actual activity. The information is fictional and should not be presented or used as fact. The information is presented and used in this report to demonstrate the effect of alternative methods of calculating agent compensation. For those purposes, the data does present a rational and technically proper view of those effects.
- 2) Agents receive ADDITIONAL compensation in an amount equal to 5 percent of gross sale of licenses and tags. This compensation is retained by the agent at the time the funds are transmitted to the state as provide in AS 16.05.390(a) & (b).
- 3) Method Number 1 represents the current method of calculating vendor compensation in accordance with AS 16.05.390.
- 4) Method Number 2 represents substituting a sliding scale for the \$1 per license or tag, with \$1 for the first 50 licenses; \$.75 for the next 200 licenses; \$.50 for the next 250 licenses; and \$.25 for more than 500 licenses.
- 5) The SINGLE VENDOR COMP column is the computed value of an individual agents commission and compensation based on the average number of licenses as shown in the column AVG # LICS.
- 6) The ALL VENDORS TOTAL COMP (last column) shows the total cost of vendor (agent) compensation.



STATE OF ALASKA  
OFFICE OF THE GOVERNOR

RECEIVED MAR 15 1988

BILL ANALYSIS

DEPARTMENT Fish and Game	DIVISION Administration	BILL NUMBER HB 510	SPONSOR Rep. Boyer
SHORT TITLE OF BILL An Act transferring responsibility for the issuance of certain licenses...			
DEPARTMENT POSITION In favor of bill			
PREPARED BY <i>Beverly Reaume</i> Beverly Reaume	DATE 03/04/88	COMMISSIONER'S SIGNATURE <i>Donna J. Lonsdale</i>	DATE 03/04/88

SUMMARY

OTHER AGENCIES AFFECTED BY BILL Department of Revenue	CONSTITUENT GROUP(S) AFFECTED BY BILL
ORGANIZATIONAL SUPPORT FOR BILL	ORGANIZATIONAL OPPOSITION TO BILL

FISCAL IMPACT:  NONE  FISCAL NOTE ATTACHED

BACKGROUND/LEGISLATIVE INTENT  
The intent of HB 510 is to transfer all responsibility for the sale of all fishing and hunting licenses from the Department of Revenue to the Department of Fish and Game.

ANALYSIS OF BILL/PROGRAM EFFECTS  
Please see enclosed.

AMENDMENTS PROPOSED  
See enclosed highlighted copy of HB510.

PLEASE ATTACH A SEPARATE SHEET FOR ADDITIONAL COMMENTS OR ANALYSIS.

DEPARTMENT OF FISH AND GAME  
Bill Analysis on HB 510

Brief analysis and explanation for proposed increases/decreases:

In analyzing the current licensing function, the Department of Fish and Game (ADF&G) has found that the section is critically in need of a complete revamping. There are currently something in excess of 900 vendors who sell 450,000 fishing/hunting licenses, 40,000 to 60,000 crew member licenses plus assorted tags and stamps. Data entry and data manipulation appear to be inadequate. Data processing capabilities consist of a six year old mini computer that was never adequately programmed and does not begin to address information needs. For example, it was impossible for ADF&G to determine an exact number of vendors or get any idea of the volume per vendor without manually counting them. To remedy this we propose the following additions:

Personal Services:

Add a programmer to develop a state-of-the art processing system that will provide data to the various agencies in a timely matter, automatically calculate vendor compensation and activity, provide statistical data for follow-up collection efforts and replace the current labor-intensive method of handling licensing.

Add a data entry clerk to enter data from licenses and vendor reports. The Department of Revenue (DOR) estimates (see DOR fiscal note) that three additional employees would need to be added in order to adequately enter data. We (ADF&G) propose adding only one since we further intend to use optical scanning of licenses for a major portion of the data entry.

We propose to add an accounting supervisor and technician to develop and implement a system of reconciling vendor accounts and provide the necessary follow-up to collect all amounts due to the state. It appears that a minimum of \$100,000 and perhaps as much as 300.0 now remains uncollected from vendors due to a lack of staff and sufficient funding to allow audits and for collection enforcement.

Travel, Contractual, Supplies (excluding vendor compensation):

Office space for the licensing section must be consolidated as space is realigned among the Departments of Revenue, Commerce, Fish and Game and Labor. Included under this category are the necessary one-time costs for this relocation.

The increase in printing would be for a complete redesign of the license form itself, primarily to accommodate optical scanning.

Also included in this category would be travel costs associated with vendor audits and reconciliation of their accounts, including collection efforts.

The remaining funds under this category would bring the section to full funding based on discussions with current DOR staff.

Vendor Compensation:

Currently vendors are compensated in the following manner:

Retention of 5% of sales; and

\$1 per license sold with a minimum of \$50

We proposed modifying this compensation as follows:

Retain the automatic retention of 5% of sales;

Modify the reimbursement for each sale as follows:

\$1 each for the first 50 licenses, with a \$50 minimum;

\$.75 for 50 to 250 licenses,

\$.50 for 251 to 500 licenses,

\$.25 for 501 and above licenses.

See schedule on page 3 of the fiscal note for our analysis of change.

Equipment:

This allows for replacement of current inadequate equipment with data processing equipment that is compatible with existing ADF&G equipment (IBM compatible) and movement to optical scanning of licenses. We have had insufficient time to determine exactly what form the new system will take. That is, whether it would be micro-, mini-, or mainframe-computer based. While the mainframe might be a logical choice, it is currently operating at its upper limits and it's uncertain whether we could add another large, new system. The \$75,000 being requested would supply microcomputers or redesign of the system whether mainframe or minibase. It would be a one-time cost.

As indicated above, optical scanning of licenses would be far more efficient than present labor-intensive data capture methods, even if they were adequately capturing data. This would be a one-time cost.

There are presently 16 file cabinets of information. While some of this is necessary in a hard copy form, much of it could be microfilmed. ADF&G currently has a microfilmer and the proposed request would expand this capability.

Also remaining files would be replaced by more space efficient verticle files.

FISCAL NOTE

REQUEST: \_\_\_\_\_

Revision Date: \_\_\_\_\_  
Title: "An Act transferring issuance of fishing, hunting, trapping licenses..."  
Sponsor: Boyer  
Requestor: Resources and Finance

Agency Affected: Revenue  
BRU: Income and Excise Audit Division

Components: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
OPERATING						
PERSONAL SERVICES	-	-	-	-	-	-
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	-	-	-	-	-
SUPPLIES	-	-	-	-	-	-
EQUIPMENT	-	-	-	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-	-	-	-	-	-
CAPITAL	-	-	-	-	-	-
REVENUE	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-

POSITIONS:

FULL-TIME	-	-	-	-	-	-
PART-TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-

ANALYSIS: (Attach a separate page if necessary)

See attached analysis.

Prepared By: Steven E. Kettel, Director *Steven E. Kettel*  
Division: Income and Excise Audit/Division

Phone: (907) 465-2320  
Date: February 22, 1988

Approved by Commissioner: *[Signature]*  
Agency: \_\_\_\_\_

Date: 2/22/88

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

Prepared By: Steven E. Kettel  
Income and Excise Audit Division  
Department of Revenue  
February 20, 1988

### HB 510 Analysis

The Department of Revenue supports this legislation transferring the fish and game licensing program to the Department of Fish and Game.

This program consists of the following features:

- 1) coordination of statewide sales of fish and game licenses, tags, permits and duck stamps through over 900 private vendors;
- 2) design and mailout of licenses and forms;
- 3) data capture of monthly, quarterly, and annual sales reports from the vendors;
- 4) processing and deposit of cash receipts;
- 5) reconciliation of vendor reports to cash receipts; and
- 6) paying additional compensation to vendors based upon the number of licenses sold.

The Department of Revenue suggests a January 1, 1989 effective date for the following reasons:

- a) This program is run on a calendar year basis, and transfer mid-year would adversely impact the smooth operation of the program
- b) The department is in the planning phase for automating this program and a January 1 transition date will give us additional time to complete the work.

To effect the transfer, the Department will give the Department of Fish and Game the resources it has allocated to the program, including:

- 1) Data processing software and documentation including file layouts, flow chart, program listing, data file tapes, etc., assuring that Fish and Game would convert the data from a Wang file structure to an IBM file structure and the Wang COBOL programs to IBM COBOL programs. Utilizing pre-1986 IBM programs would require some modification. Assuming Fish and Game retains a Wang structure, the Department is willing to transfer a Wang VS 85 mainframe and program related peripheral equipment to the Department of Fish and Game.

HB 510 Analysis (Cont.)

2) Transfer of funding will include:

A) Personal Services

The following positions will transfer from the Income and Excise Audit Division with associated funding of \$188.1:

<u>Position</u>	<u>Range/Step</u>	<u>FY 89 Budget</u>
Revenue Licensing Supervisor	16K	\$54.8
Accounting Supervisor I	14J	\$46.7
Clerk Typist II	7B	\$26.9
Accounting Clerk II	9D	\$31.4
Clerk Typist III	8B	<u>\$28.3</u>
		\$188.1

The following position will transfer from the Administrative Services Division with associated funding of \$38.7:

<u>Position</u>	<u>Range/Step</u>	<u>FY 89 Budget</u>
Data Entry Center Supervisor	14A	\$38.7

B) Contractual

The following associated funds will transfer from the Income and Excise Audit Division:

Vendor Compensation:	\$356.6
Printing, Postage, Telephone:	<u>\$36.8</u>
	\$393.4

The following associated funds will transfer from the Administrative Services Division:

Wang VS & Maintenance costs:	\$39.0
Other contractual costs:	<u>\$.3</u>
	\$39.3

C) Supplies

The transfer of associated supply funds from the Income and Excise Audit Division will be \$2.5.

The transfer of associated supply funds from the Administrative Services Division will be: \$.1

SUMMARY OF TRANSFERS:

Personal Services	\$226.8
Contractual	\$432.7
Supplies	<u>\$2.6</u>
Total Transfer:	\$662.1

# HOUSE COMMITTEE REPORT

(9)

Date referred: 2/15/88

FURTHER REFERRALS: Finance

DATE: 3-22-88

The Resources Committee has considered HB 510

"An Act transferring responsibility for the issuance of certain fishing, hunting, and trapping licenses, tags, and identification cards from the commissioner of revenue to the commissioner of fish and game."

**RECOMMENDS:**

- replace with CS HB 510 (Res)  the same title
- attached amendment(s)  a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the \_\_\_\_\_ Committee

**ADOPTS:**  \_\_\_\_\_ letter of intent

**ATTACHES NEW FISCAL NOTE(s):**

- fiscal impact 7+6 3/4/88  same as previous fiscal note published \_\_\_\_\_
- zero fiscal note  same as previous zero fiscal note published \_\_\_\_\_
- zero with analysis 3/4/88  
Transf. Funds Revenue

**SIGNING DO PASS:**

Jim G...

[Signature]

[Signature]

[Signature]

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**SIGNING OTHER RECOMMENDATIONS:**

Mike Havens - no rec

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Jim G...

Chairman's signature

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_  
Title: An Act transferring responsibility  
for the issuance of certain fishing...  
Sponsor: Rep. Boyer  
Requestor: Rep. Boyer

Agency Affected: Fish and Game  
BRU: Administration & Support  
Components: Administrative Services

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES		286.9	290.0	290.0	290.0	290.0
TRAVEL		7.9	9.0	9.0	9.0	9.0
CONTRACTUAL		319.9	322.0	322.0	322.0	322.0
SUPPLIES		10.0	10.0	10.0	10.0	10.0
EQUIPMENT		120.0	0	0	0	0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		844.5	730.0	730.0	730.0	730.0

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

REVENUE		9,800.5	9,850.0	10,050.0	10,240.0	10,400.0
---------	--	---------	---------	----------	----------	----------

\$100.0 to \$300.0 of revenue is currently uncollectable

FUNDING: (Thousands of Dollars)

GENERAL FUND		844.5	730.0	730.0	730.0	730.0
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME		10	10	10	10	10
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

FY 89 request includes a transfer of \$662.1 from the Department of Revenue and \$133.0 in one-time items. See enclosed for more details.

Prepared by: *Laverly Bohne* / Laverly Bohne, Director Phone: 465-4120  
Division: Administration Date: 03/04/88  
Approved by Commissioner: *Don W. Collinsworth* / Don W. Collinsworth Date: 03/04/88  
Agency: Fish and Game

Distribution (by preparer):

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

DEPARTMENT OF FISH AND GAME - FISCAL NOTE TO ACCOMPANY HBS10

TRANSFER OF FUNDING FROM THE DEPT. OF REVENUE:

=====

PERSONAL SERVICES:

Revenue Licensing Supervisor	54.8	
Accounting Supervisor I	46.7	
Clerk Typist II	26.9	
Accounting Clerk II	31.4	
Clerk Typist III	28.3	
Data Entry Center Supervisor	38.7	
Subtotal	226.8	

CONTRACTUAL:

Printing, Postage, Telephone	36.8	
Wang VS & Maintenance Costs	39.0	
Other Contractual	0.3	
Vendor Compensation	356.6	
Subtotal	432.7	

SUPPLIES: 2.6

SUBTOTAL REVENUE TRANSFER 662.1

PROPOSED ADDITIONS BY DEPT. OF FISH AND GAME:

=====

PERSONAL SERVICES:

Programmer/Analyst III	48.4	
Data Processing Clerk I	28.5	
Accounting Supervisor II	44.3	
Accounting Technician II	38.9	
Subtotal	160.1	

TRAVEL: 7.8

CONTRACTUAL:

Postage, Phones, Copier	14.5	
Printing	20.0	
Reduce Vendor compensation	-160.4	
Subtotal	-125.9	

SUPPLIES: 7.4

ONE TIME COSTS

Space modify/telephone	13.0
Computer/Optical Scanner	105.0
Microfilm/Verticle files	15.0

SUBTOTAL ONE TIME ITEMS 133.0

SUBTOTAL FISH & GAME ADDITIONS 182.4

SUMMARY OF TOTAL REQUEST

REVENUE TRANSFER TO ADF&G	662.1
ADF&G ADDITIONS	209.8
CHANGE TO VENDOR COMPENSATION	-160.4
ADF&G ONE TIME ITEMS	133.0
TOTAL REQUEST	844.5

ANALYSIS OF AGENT COMPENSATION ALTERNATIVES

AGENT SALES	NO. OF VENDORS	AVERAGE PER VENDOR SALES	EXISTING		NEW METHOD		CHANGE IN TOTAL COMPENSATION
			AUG. SINGLE VENDOR COMP. CURRENTLY	TOTAL VENDOR COMP. CURRENTLY	AUG. SINGLE VENDOR COMP. NEW METHOD	TOTAL VENDOR COMP. NEW METHOD	
Under 50 licenses	667	30	\$50	\$33,350	\$50	\$33,350	NO CHANGE
51 to 1000 licenses	183	450	\$450	\$82,350	\$300	\$54,900	(\$27,450)
1001 to 5000 license	65	2300	\$2,300	\$149,500	\$775	\$50,375	(\$99,125)
5001 and up licenses	35	5775	\$5,775	\$202,125	\$1,644	\$57,540	(\$144,585)
TOTAL COMPENSATION				\$467,325	\$196,165	(\$271,160)	

NOTES:

1. This compensation analysis is for demonstration purposes only and does not reflect actual activity.
2. Most vendors, particularly those in small towns and villages fit in the category of selling 50 licenses or less per year. They will see NO change in their reimbursement.
3. All vendors, regardless of sales volume, keep 5% of total receipts. The compensation dealt with here reflects an additional amount based on actual number of licenses sold.
4. Amounts listed under current are based on all vendors receiving \$1 per license sold.
5. Amounts listed under new method are based on changing to a sliding scale:  
\$1 per license for the first 50 with a minimum of \$50; \$.75 for the next 200 licenses;  
\$.50 for the next 250 licenses; and \$.25 for each license over 500.
6. Projected savings in fiscal note is based on the next to last column, Total Vendor New Method, \$196.2 subtracted from the Revenue transfer of \$356.6.  $356.6 - 196.2 = 160.4$

STATE OF ALASKA  
1988 LEGISLATIVE SESSION

BILL VERSION: HB 510  
PUBLISH DATE: 02/15/88

FISCAL NOTE

REQUEST: \_\_\_\_\_

Revision Date: \_\_\_\_\_  
Title: "An Act transferring issuance of  
fishing, hunting, trapping licenses.."  
Sponsor: Representative Boyer  
Requestor: Resources & Finance

Agency Affected: Revenue  
BRU: Income and Excise Audit Division  
Components: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 86	FY 89	FY 90	FY 91	FY 92	FY 93
OPERATING						
PERSONAL SERVICES	-	(226.8)	-	-	-	-
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	(432.7)	-	-	-	-
SUPPLIES	-	(2.6)	-	-	-	-
EQUIPMENT	-	-	-	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-	(662.1)	-	-	-	-
CAPITAL	-	-	-	-	-	-
REVENUE	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-

POSITIONS:

FULL-TIME	-	(6)	-	-	-	-
PART-TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-

ANALYSIS: (Attach a separate page if necessary)

(see attached analysis)

Prepared By: Steven E. Kettel, Director Phone: (907) 465-2320  
Division: Income and Excise Audit Division Date: 03/04/88

Approved by Commissioner: Hugh Malone Date: 03/04/88  
Agency: Department of Revenue

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

Prepared By: Steven E. Kettel  
Income and Excise Audit Division  
Department of Revenue  
February 20, 1988

### HB 510 Analysis

The Department of Revenue supports this legislation transferring the fish and game licensing program to the Department of Fish and Game.

This program consists of the following features:

- 1) coordination of statewide sales of fish and game licenses, tags, permits and duck stamps through over 900 private vendors;
- 2) design and mailout of licenses and forms;
- 3) data capture of monthly, quarterly, and annual sales reports from the vendors;
- 4) processing and deposit of cash receipts;
- 5) reconciliation of vendor reports to cash receipts; and
- 6) paying additional compensation to vendors based upon the number of licenses sold.

The Department of Revenue suggests a January 1, 1989 effective date for the following reasons:

- a) This program is run on a calendar year basis, and transfer mid-year would adversely impact the smooth operation of the program.
- b) The department is in the planning phase for automating this program and a January 1 transition date will give us additional time to complete the work.

To effect the transfer, the Department will give the Department of Fish and Game the resources it has allocated to the program, including:

- 1) Data processing software and documentation including file layouts, flow chart, program listing, data file tapes, etc., assuring that Fish and Game would convert the data from a Wang file structure to an IBM file structure and the Wang COBOL programs to IBM COBOL programs. Utilizing pre-1986 IBM programs would require some modification. Assuming Fish and Game retains a Wang structure, the Department is willing to transfer a Wang VS 85 mainframe and program related peripheral equipment to the Department of Fish and Game.

HB 510 Analysis (Cont.)

2) Transfer of funding will include:

A) Personal Services

The following positions will transfer from the Income and Excise Audit Division with associated funding of \$188.1:

<u>Position</u>	<u>Range/Step</u>	<u>FY 89 Budget</u>
Revenue Licensing Supervisor	16K	\$54.8
Accounting Supervisor I	14J	\$46.7
Clerk Typist II	7B	\$26.9
Accounting Clerk II	9D	\$31.4
Clerk Typist III	8B	<u>\$28.3</u>
		\$188.1

The following position will transfer from the Administrative Services Division with associated funding of \$38.7:

<u>Position</u>	<u>Range/Step</u>	<u>FY 89 Budget</u>
Data Entry Center Supervisor	14A	\$38.7

B) Contractual

The following associated funds will transfer from the Income and Excise Audit Division:

Vendor Compensation:	\$356.6
Printing, Postage, Telephone:	<u>\$36.8</u>
	\$393.4

The following associated funds will transfer from the Administrative Services Division:

Wang VS & Maintenance costs:	\$39.0
Other contractual costs:	<u>\$.3</u>
	\$39.3

C) Supplies

The transfer of associated supply funds from the Income and Excise Audit Division will be \$2.5.

The transfer of associated supply funds from the Administrative Services Division will be: \$.1

SUMMARY OF TRANSFERS:

Personal Services	\$226.8
Contractual	\$432.7
Supplies	<u>\$2.6</u>
Total Transfer:	\$662.1

Original sponsor: Boyer

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 CS FOR HOUSE BILL NO. 510 (Resources)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act transferring responsibility for the issuance  
7 of certain fishing, hunting, and trapping licenses,  
8 tags, and identification cards from the commissioner  
9 of revenue to the commissioner of fish and game; and  
10 relating to compensation for, penalties against, and  
11 proceeds, fees, forms, and reports transmitted by  
12 agents who sell or collect fees for certain licenses,  
13 tags, and permits."

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

15 \* Section 1. AS 16.05.335 is amended to read:

16 Sec. 16.05.335. COMPLIMENTARY LICENSES. The commissioner [OF  
17 REVENUE] shall annually, at the request of the governor, provide the  
18 governor with not more than 50 complimentary fishing and hunting  
19 licenses and appropriate big game tags which the governor may distri-  
20 bute to distinguished visitors to Alaska for their use in any one  
21 season during their visits to the state. The complimentary license  
22 for sport fishing or hunting or both shall be inscribed by the gover-  
23 nor with the inclusive dates for its authorized use. The governor  
24 shall advise the department on any complimentary issuances, which  
25 information shall be available to the public.

26 \* Sec. 2. AS 16.05.340(c) is amended to read:

27 (c) The commissioner [OF REVENUE] may issue a duplicate license  
28 or a duplicate tag as a replacement for a license or tag issued under  
29 (a) of this section. A fee of \$2 shall be charged for each duplicate

1 license or tag and the duplicate shall not be issued unless the com-  
2 missioner [OF REVENUE] or a delegate is satisfied that the original  
3 has been lost or destroyed. This subsection does not apply to a  
4 25-cent license issued under (a)(6) of this section.

5 \* Sec. 3. AS 16.05.360 is amended to read:

6 Sec. 16.05.360. COMMISSIONER [OF REVENUE] CHARGED WITH LICENSE  
7 ISSUANCE. The commissioner [OF REVENUE] or an authorized deputy shall  
8 issue each license and tag to a qualified person under written appli-  
9 cation containing such reasonable information as required by the  
10 commissioner. The commissioner shall designate the license and tag  
11 form or type. The form or type shall be sufficient to identify and  
12 locate the applicant and establish the applicant's status as to resi-  
13 dency and citizenship. Each application shall be subscribed and sworn  
14 to by the applicant before an officer authorized to administer oaths  
15 in the state.

16 \* Sec. 4. AS 16.05.380 is amended to read:

17 Sec. 16.05.380. COMMISSIONER [OF REVENUE] MAY APPOINT AGENTS.  
18 The commissioner [OF REVENUE] may appoint state employees or other  
19 persons to take applications, issue licenses and tags, and collect  
20 fees. The commissioner is not liable for defalcation or failure to  
21 account for the fees collected by any person so appointed, but the  
22 commissioner shall require a bond in an adequate sum, conditioned upon  
23 faithfully accounting for all money collected. However, the commis-  
24 sioner may waive the bond requirements of an instrumentality of the  
25 United States or its agents and employees, when the instrumentality or  
26 its agents or employees sell licenses primarily to persons in the  
27 armed forces. Each person, upon appointment by the commissioner, may  
28 administer oaths on applications for licenses and tags.

29 \* Sec. 5. AS 16.05.390 is amended to read:

1           Sec. 16.05.390. FEES AND COMPENSATION FOR ISSUANCE OF LICENSES  
2 AND TAGS. (a) Except as provided in (e) of this section, an agent  
3 appointed and authorized by the commissioner [OF REVENUE] under  
4 AS 16.05.380 to sell licenses and tags is entitled to

5           (1) retain five percent of the fee that is charged for a  
6 license or tag or 25 cents for each license or tag sold, whichever is  
7 greater; and

8           (2) compensation of \$50 per year or compensation for  
9 licenses and tags [\$1 FOR EACH LICENSE OR TAG] sold during the year  
10 according to the following schedule, whichever is greater:

- 11                   (A) 1 - 50 licenses and tags . . . . . \$1 each;  
12                   (B) 51 - 250 licenses and tags . . . . . \$0.75 each;  
13                   (C) 251 - 500 licenses and tags . . . . . \$0.50 each;  
14                   (D) more than 500 . . . . . \$0.25 each.

15           (b) Each agent authorized to sell licenses or tags under AS 16.-  
16 05.380 shall, as directed by the commissioner [OF REVENUE], transmit  
17 the proceeds from the sales of licenses and tags, except the amount  
18 authorized to be retained under (a)(1) of this section, together with  
19 a report of the sales, to the commissioner for deposit in the fish and  
20 game fund or the general fund.

21           (c) On March 31, June 30, September 30, and December 31 of each  
22 year the commissioner [OF REVENUE] shall calculate the compensation  
23 earned by an agent under (a)(2) of this section minus any penalties  
24 assessed under (g) of this section. If the compensation due exceeds  
25 \$50, the commissioner shall pay the compensation not later than 30  
26 days after the date for which the compensation was calculated. If the  
27 compensation due is \$50 or less, the commissioner shall pay the com-  
28 pensation not later than January 30 of the year following the year in  
29 which the compensation was earned. The commissioner shall pay

1 compensation [IN AN AMOUNT EXCEEDING \$50] only for sales of licenses  
2 or tags for which the commissioner has received the report and pro-  
3 ceeds required to be transmitted under (b) of this section.

4 (d) Compensation provided by this section shall be paid from  
5 appropriations made to the department [DEPARTMENT OF REVENUE] from the  
6 general fund.

7 (e) The provisions of (a) of this section do not apply to a  
8 state employee appointed by the commissioner [OF REVENUE] under  
9 AS 16.05.380 to sell licenses and tags.

10 \* Sec. 6. AS 16.05.390 is amended by adding new subsections to read:

11 (f) Proceeds and reports under (b) of this section shall be  
12 transmitted to the commissioner by the last day of the month following  
13 the month in which the licenses and tags are sold. The commissioner  
14 may grant an extension of not more than 30 days if the agent estab-  
15 lishes that

16 (1) failure to grant an extension would impose an excessive  
17 financial hardship on the agent;

18 (2) the proceeds from the license and tag sales for the  
19 period, including the amount that the agent is authorized to retain,  
20 total less than \$1,000; and

21 (3) the cumulative amount of proceeds due from the agent,  
22 including the proceeds due for the current period, does not exceed  
23 \$1,000.

24 (g) The commissioner may assess a penalty against an agent who  
25 does not transmit proceeds within the time allowed under (f) of this  
26 section. The penalty shall be in an amount equal to one and one-half  
27 percent of the amount of proceeds due. The penalty may be assessed  
28 for each month or portion of a month that the proceeds are delinquent.  
29 A penalty under this subsection shall be withheld from the agent's

1 compensation under (b)(2) of this section.

2 \* Sec. 7. AS 16.05.400(b) is amended to read:

3 (b) A sport fishing, hunting or trapping license is not required  
4 of a resident who is 60 years of age or more and has been a resident  
5 for one year or more. The commissioner [OF REVENUE] shall issue a  
6 permanent identification card without charge to persons who qualify by  
7 age and residence and who complete the forms required by the commis-  
8 sioner for implementation of this subsection. A person who is issued  
9 a permanent identification card under this subsection shall have it in  
10 possession while sport fishing, hunting or trapping.

11 \* Sec. 8. AS 16.05.405(b) is amended to read:

12 (b) A resident hunting license indicating that the purchaser is  
13 blind may be obtained from the department [DEPARTMENT OF REVENUE] upon  
14 payment of the fee prescribed in AS 16.05.340 and upon presentation of  
15 either an affidavit of the applicant stating that the applicant cannot  
16 distinguish light from darkness or an affidavit signed by a licensed  
17 physician or a licensed optometrist stating that the applicant's  
18 central visual acuity does not exceed 20/200 in the better eye with  
19 correcting lenses or that the applicant's widest diameter of visual  
20 field subtends an angle no greater than 20 degrees.

21 \* Sec. 9. AS 16.05.450(a) is amended to read:

22 (a) The commissioner [OF REVENUE] or an authorized agent shall  
23 issue a crewmember fishing license under AS 16.05.430 to each quali-  
24 fied person who files a written application at a place in the state  
25 designated by the commissioner, containing the reasonable information  
26 required by the commissioner together with the required fee. The  
27 application shall be simple in form and shall be executed by the  
28 applicant under the penalty of perjury.

29 \* Sec. 10. AS 16.05.460 is amended to read:

1           Sec. 16.05.460. COMMISSIONER [OF REVENUE] MAY APPOINT AGENTS.  
2           The commissioner [OF REVENUE] may appoint qualified persons as agents  
3           to receive applications, issue licenses, and collect license fees  
4           under AS 16.05.440 - 16.05.480, and to assist in the completion of  
5           annual application or renewal forms for interim-use permits and entry  
6           permits issued under AS 16.43.

7           \* Sec. 11. AS 16.05.470 is amended to read:

8           Sec. 16.05.470. FEE FOR ISSUANCE OF LICENSES AND INTERIM-USE OR  
9           ENTRY PERMITS. (a) A person appointed and authorized by the commis-  
10          sioner [OF REVENUE] to sell licenses under AS 16.05.440 - 16.05.480,  
11          except salaried employees of the state, shall retain the sum of 15  
12          percent of the fee for the issuance of a license. An agent shall  
13          transmit monthly to the commissioner all license fees collected by the  
14          agent, less the authorized commission, together with a full accounting  
15          of the fees. The commissioner shall make monthly remittances of the  
16          fees collected to the proper state official. The commissioner is not  
17          liable for defalcation or failure to account for the fees collected by  
18          an agent, but the commissioner shall require a bond in the sum the  
19          commissioner considers adequate, conditioned upon the faithful ac-  
20          counting of money collected.

21          (b) A person appointed and authorized by the commissioner [OF  
22          REVENUE] under AS 16.05.460 to issue licenses under AS 16.05.440 -  
23          16.05.480, except salaried employees of the state, shall retain the  
24          sum of 15 percent of the interim-use or entry permit fee for assisting  
25          in completion of the annual application or renewal form for the inter-  
26          im-use or entry permit. An agent shall transmit promptly to the  
27          Commercial Fisheries Entry Commission all application or renewal forms  
28          and fees collected by the agent, less the authorized commission,  
29          together with a full accounting of the fees. The commissioner and the

1 Commercial Fisheries Entry Commission are not liable for defalcation  
2 or failure to account for the fees collected by an agent, but the  
3 commissioner shall require a bond in the sum the commissioner consid-  
4 ers adequate, conditioned upon the faithful accounting of money col-  
5 lected.

6 \* Sec. 12. AS 16.05.470 is amended by adding new subsections to read:

7 (c) Forms and fees under (a) or (b) of this section shall be  
8 transmitted to the commissioner or to the Commercial Fisheries Entry  
9 Commission, respectively, by the last day of the month following the  
10 month in which the fees are collected. The commissioner or the com-  
11 mission, as appropriate, may grant an extension of not more than 30  
12 days if the agent establishes that

13 (1) failure to grant an extension would impose an excessive  
14 financial hardship on the agent;

15 (2) the fees collected by the agent for the period, includ-  
16 ing the amount that the agent is authorized to retain, totals less  
17 than \$1,000; and

18 (3) the cumulative amount of fees due from the agent,  
19 including the fees due for the current period, does not exceed \$1,000.

20 (d) The commissioner or the commission, as appropriate, may  
21 assess a penalty against an agent who does not transmit fees within  
22 the time allowed under (c) of this section. The penalty shall be in  
23 an amount equal to one and one-half percent of the amount of fees due.  
24 The penalty may be assessed for each month or portion of a month that  
25 the fees are delinquent.

26 \* Sec. 13. AS 16.05.826(a) is amended to read:

27 (a) The waterfowl conservation tag authorized in AS 16.05.-  
28 340(a)(17) shall be produced annually in stamp form by the department  
29 in an amount the commissioner [DEPARTMENT OF REVENUE] considers

1 appropriate. The department shall make stamps available for the  
2 creation of waterfowl conservation limited edition prints and shall  
3 provide for the sale of stamps and prints to the public.  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29

AMENDED TITLE FOR COMMITTEE SUBSTITUTE FOR HOUSE BILL 510 by Boyer

Offered March 16, 1988

"An Act transferring responsibility for the issuance of certain fishing, hunting, and trapping licenses, tags, and identification cards from the commissioner of revenue to the commissioner of fish and game; and relating to compensation for, penalties against, and proceeds, fees, forms, and reports transmitted by agents who sell or collect fees for certain licenses, tags, and permits."

*Wed - This came out of drafting late last night. I'm trying to xerox a copy w/o markings of changes*

5-1923B ✓  
Hein  
3/15/88

Original sponsor: Boyer

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 CS FOR HOUSE BILL NO. 510 (Resources)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the issuance of certain fishing,  
7 hunting, and trapping licenses, tags, and identifica-  
8 tion cards."

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

10 \* Section 1. AS 16.05.335 is amended to read:

11 Sec. 16.05.335. COMPLIMENTARY LICENSES. The commissioner [OF  
12 REVENUE] shall annually, at the request of the governor, provide the  
13 governor with not more than 50 complimentary fishing and hunting  
14 licenses and appropriate big game tags which the governor may distri-  
15 bute to distinguished visitors to Alaska for their use in any one  
16 season during their visits to the state. The complimentary license  
17 for sport fishing or hunting or both shall be inscribed by the gover-  
18 nor with the inclusive dates for its authorized use. The governor  
19 shall advise the department on any complimentary issuances, which  
20 information shall be available to the public.

21 \* Sec. 2. AS 16.05.340(c) is amended to read:

22 (c) The commissioner [OF REVENUE] may issue a duplicate license  
23 or a duplicate tag as a replacement for a license or tag issued under  
24 (a) of this section. A fee of \$2 shall be charged for each duplicate  
25 license or tag and the duplicate shall not be issued unless the com-  
26 missioner [OF REVENUE] or a delegate is satisfied that the original  
27 has been lost or destroyed. This subsection does not apply to a  
28 25-cent license issued under (a)(6) of this section.

29 \* Sec. 3. AS 16.05.360 is amended to read:

1           Sec. 16.05.360. COMMISSIONER [OF REVENUE] CHARGED WITH LICENSE  
2 ISSUANCE. The commissioner [OF REVENUE] or an authorized deputy shall  
3 issue each license and tag to a qualified person under written appli-  
4 cation containing such reasonable information as required by the  
5 commissioner. The commissioner shall designate the license and tag  
6 form or type. The form or type shall be sufficient to identify and  
7 locate the applicant and establish the applicant's status as to resi-  
8 dency and citizenship. Each application shall be subscribed and sworn  
9 to by the applicant before an officer authorized to administer oaths  
10 in the state.

11 \* Sec. 4. AS 16.05.380 is amended to read:

12           Sec. 16.05.380. COMMISSIONER [OF REVENUE] MAY APPOINT AGENTS.  
13 The commissioner [OF REVENUE] may appoint state employees or other  
14 persons to take applications, issue licenses and tags, and collect  
15 fees. The commissioner is not liable for defalcation or failure to  
16 account for the fees collected by any person so appointed, but the  
17 commissioner shall require a bond in an adequate sum, conditioned upon  
18 faithfully accounting for all money collected. However, the commis-  
19 sioner may waive the bond requirements of an instrumentality of the  
20 United States or its agents and employees, when the instrumentality or  
21 its agents or employees sell licenses primarily to persons in the  
22 armed forces. Each person, upon appointment by the commissioner, may  
23 administer oaths on applications for licenses and tags.

24 \* Sec. 5. AS 16.05.390 is amended to read:

25           Sec. 16.05.390. FEES AND COMPENSATION FOR ISSUANCE OF LICENSES  
26 AND TAGS. (a) Except as provided in (e) of this section, an agent  
27 appointed and authorized by the commissioner [OF REVENUE] under  
28 AS 16.05.380 to sell licenses and tags is entitled to

29           (1) retain five percent of the fee that is charged for a

1 license or tag or 25 cents for each license or tag sold, whichever is  
2 greater; and

3 (2) compensation of \$50 per year or compensation for  
4 licenses and tags [\$1 FOR EACH LICENCE OR TAG] sold during the year  
5 according to the following schedule, whichever is greater:

- 6 (A) 1 - 50 licenses and tags . . . . . \$1 each;  
7 (B) 51 - 250 licenses and tags . . . . . \$0.75 each;  
8 (C) 251 - 500 licenses and tags . . . . . \$0.50 each;  
9 (D) more than 500 . . . . . \$0.25 each.

10 (b) Each agent authorized to sell licenses or tags under AS 16.-  
11 05.380 shall, as directed by the commissioner [OF REVENUE], transmit  
12 the proceeds from the sales of licenses and tags, except the amount  
13 authorized to be retained under (a)(1) of this section, together with  
14 a report of the sales, to the commissioner for deposit in the fish and  
15 game fund or the general fund.

16 (c) On March 31, June 30, September 30, and December 31 of each  
17 year the commissioner [OF REVENUE] shall calculate the compensation  
18 earned by an agent under (a)(2) of this section minus any penalties  
19 assessed under (g) of this section. If the compensation due exceeds  
20 \$50, the commissioner shall pay the compensation not later than 30  
21 days after the date for which the compensation was calculated. If the  
22 compensation due is \$50 or less, the commissioner shall pay the com-  
23 pensation not later than January 30 of the year following the year in  
24 which the compensation was earned. The commissioner shall pay compen-  
25 sation [IN AN AMOUNT EXCEEDING \$50] only for sales of licenses or tags  
26 for which the commissioner has received the report and proceeds  
27 required to be transmitted under (b) of this section.

28 (d) Compensation provided by this section shall be paid from  
29 appropriations made to the department [DEPARTMENT OF REVENUE] from the

1 general fund.

2 (e) The provisions of (a) of this section do not apply to a  
3 state employee appointed by the commissioner [OF REVENUE] under  
4 AS 16.05.380 to sell licenses and tags.

5 \* Sec. 6. AS 16.05.390 is amended by adding new subsections to read:

6 (f) Proceeds and reports under (b) of this section shall be  
7 transmitted to the commissioner by the last day of the month following  
8 the month in which the licenses and tags are sold. The commissioner  
9 may grant an extension of not more than 30 days if the agent estab-  
10 lishes that

11 (1) failure to grant an extension would impose an excessive  
12 financial hardship on the agent;

13 (2) the proceeds from the license and tag sales for the  
14 period, including the amount that the agent is authorized to retain,  
15 total less than \$1,000; and

16 (3) the cumulative amount of proceeds due from the agent,  
17 including the proceeds due for the current period, does not exceed  
18 \$1,000.

19 (g) The commissioner may assess a penalty against an agent who  
20 does not transmit proceeds within the time allowed under (f) of this  
21 section. The penalty shall be in an amount equal to one and one-half  
22 percent of the amount of proceeds due. The penalty may be assessed  
23 for each month or portion of a month that the proceeds are delinquent.  
24 A penalty under this subsection shall be withheld from the agent's  
25 compensation under (b)(2) of this section.

26 \* Sec. 7. AS 16.05.400(b) is amended to read:

27 (b) A sport fishing, hunting or trapping license is not required  
28 of a resident who is 60 years of age or more and has been a resident  
29 for one year or more. The commissioner [OF REVENUE] shall issue a

1 permanent identification card without charge to persons who qualify by  
2 age and residence and who complete the forms required by the commis-  
3 sioner for implementation of this subsection. A person who is issued  
4 a permanent identification card under this subsection shall have it in  
5 possession while sport fishing, hunting or trapping.

6 \* Sec. 8. AS 16.05.405(b) is amended to read:

7 (b) A resident hunting license indicating that the purchaser is  
8 blind may be obtained from the department [DEPARTMENT OF REVENUE] upon  
9 payment of the fee prescribed in AS 16.05.340 and upon presentation of  
10 either an affidavit of the applicant stating that the applicant cannot  
11 distinguish light from darkness or an affidavit signed by a licensed  
12 physician or a licensed optometrist stating that the applicant's  
13 central visual acuity does not exceed 20/200 in the better eye with  
14 correcting lenses or that the applicant's widest diameter of visual  
15 field subtends an angle no greater than 20 degrees.

16 \* Sec. 9. AS 16.05.450(a) is amended to read:

17 (a) The commissioner [OF REVENUE] or an authorized agent shall  
18 issue a crewmember fishing license under AS 16.05.480 to each quali-  
19 fied person who files a written application at a place in the state  
20 designated by the commissioner, containing the reasonable information  
21 required by the commissioner together with the required fee. The  
22 application shall be simple in form and shall be executed by the  
23 applicant under the penalty of perjury.

24 \* Sec. 10. AS 16.05.460 is amended to read:

25 Sec. 16.05.460. COMMISSIONER [OF REVENUE] MAY APPOINT AGENTS.  
26 The commissioner [OF REVENUE] may appoint qualified persons as agents  
27 to receive applications, issue licenses, and collect license fees  
28 under AS 16.05.440 - 16.05.480, and to assist in the completion of  
29 annual application or renewal forms for interim-use permits and entry

1 permits issued under AS 16.43.

2 \* Sec. 11. AS 16.05.470 is amended to read:

3 Sec. 16.05.470. FEE FOR ISSUANCE OF LICENSES AND INTERIM-USE OR  
4 ENTRY PERMITS. (a) A person appointed and authorized by the commis-  
5 sioner [OF REVENUE] to sell licenses under AS 16.05.440 - 16.05.480,  
6 except salaried employees of the state, shall retain the sum of 15  
7 percent of the fee for the issuance of a license. An agent shall  
8 transmit monthly to the commissioner all license fees collected by the  
9 agent, less the authorized commission, together with a full accounting  
10 of the fees. The commissioner shall make monthly remittances of the  
11 fees collected to the proper state official. The commissioner is not  
12 liable for defalcation or failure to account for the fees collected by  
13 an agent, but the commissioner shall require a bond in the sum the  
14 commissioner considers adequate, conditioned upon the faithful ac-  
15 counting of money collected.

16 (b) A person appointed and authorized by the commissioner [OF  
17 REVENUE] under AS 16.05.460 to issue licenses under AS 16.05.440 -  
18 16.05.480, except salaried employees of the state, shall retain the  
19 sum of 15 percent of the interim-use or entry permit fee for assisting  
20 in completion of the annual application or renewal form for the inter-  
21 im-use or entry permit. An agent shall transmit promptly to the  
22 Commercial Fisheries Entry Commission all application or renewal forms  
23 and fees collected by the agent, less the authorized commission,  
24 together with a full accounting of the fees. The commissioner and the  
25 Commercial Fisheries Entry Commission are not liable for defalcation  
26 or failure to account for the fees collected by an agent, but the  
27 commissioner shall require a bond in the sum the commissioner consid-  
28 ers adequate, conditioned upon the faithful accounting of money col-  
29 lected.

1 \* Sec. 12. AS 16.05.470 is amended by adding new subsections to read:

2 (c) Forms and fees under (a) or (b) of this section shall be  
3 transmitted to the commissioner or to the Commercial Fisheries Entry  
4 Commission, respectively, by the last day of the month following the  
5 month in which the fees are collected. The commissioner or the com-  
6 mission, as appropriate, may grant an extension of not more than 30  
7 days if the agent establishes that

8 (1) failure to grant an extension would impose an excessive  
9 financial hardship on the agent;

10 (2) the fees collected by the agent for the period, includ-  
11 ing the amount that the agent is authorized to retain, totals less  
12 than \$1,000; and

13 (3) the cumulative amount of fees due from the agent,  
14 including the fees due for the current period, does not exceed \$1,000.

15 (d) The commissioner or the commission, as appropriate, may  
16 assess a penalty against an agent who does not transmit fees within  
17 the time allowed under (c) of this section. The penalty shall be in  
18 an amount equal to one and one-half percent of the amount of fees due.  
19 The penalty may be assessed for each month or portion of a month that  
20 the fees are delinquent.

21 \* Sec. 13. AS 16.05.82 is amended to read:

22 (a) The waterfowl conservation tag authorized in AS 16.05.-  
23 340(a)(17) shall be produced annually in stamp form by the department  
24 in an amount the commissioner [DEPARTMENT OF REVENUE] considers appro-  
25 priate. The department shall make stamps available for the creation  
26 of waterfowl conservation limited edition prints and shall provide for  
27 the sale of stamps and prints to the public.

Original sponsor: Boyer

IN THE HOUSE

BY THE RESOURCES COMMITTEE

CS FOR HOUSE BILL NO. 510 (Resources)

IN THE LEGISLATURE OF THE STATE OF ALASKA

FIFTEENTH LEGISLATURE - SECOND SESSION

A BILL

*[transferring responsibility for]*

For an Act entitled: "An Act relating to the issuance of certain fishing, hunting, and trapping licenses, tags, and identification cards." *[from the Commissioner of revenue to the Commissioner of Fish and Game]*

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

\* Section 1. AS 16.05.335 is amended to read:

Sec. 16.05.335. COMPLIMENTARY LICENSES. The commissioner [OF REVENUE] shall annually, at the request of the governor, provide the governor with not more than 50 complimentary fishing and hunting licenses and appropriate big game tags which the governor may distribute to distinguished visitors to Alaska for their use in any one season during their visits to the state. The complimentary license for sport fishing or hunting or both shall be inscribed by the governor with the inclusive dates for its authorized use. The governor shall advise the department on any complimentary issuances, which information shall be available to the public.

\* Sec. 2. AS 16.05.340(c) is amended to read:

(c) The commissioner [OF REVENUE] may issue a duplicate license or a duplicate tag as a replacement for a license or tag issued under (a) of this section. A fee of \$2 shall be charged for each duplicate license or tag and the duplicate shall not be issued unless the commissioner [OF REVENUE] or a delegate is satisfied that the original has been lost or destroyed. This subsection does not apply to a 25-cent license issued under (a)(6) of this section.

\* Sec. 3. AS 16.05.360 is amended to read:

1           Sec. 16.05.360. COMMISSIONER [OF REVENUE] CHARGED WITH LICENSE  
2 ISSUANCE. The commissioner [OF REVENUE] or an authorized deputy shall  
3 issue each license and tag to a qualified person under written appli-  
4 cation containing such reasonable information as required by the  
5 commissioner. The commissioner shall designate the license and tag  
6 form or type. The form or type shall be sufficient to identify and  
7 locate the applicant and establish the applicant's status as to resi-  
8 dency and citizenship. Each application shall be subscribed and sworn  
9 to by the applicant before an officer authorized to administer oaths  
10 in the state.

11 \* Sec. 4. AS 16.05.380 is amended to read:

12           Sec. 16.05.380. COMMISSIONER [OF REVENUE] MAY APPOINT AGENTS.  
13 The commissioner [OF REVENUE] may appoint state employees or other  
14 persons to take applications, issue licenses and tags, and collect  
15 fees. The commissioner is not liable for defalcation or failure to  
16 account for the fees collected by any person so appointed, but the  
17 commissioner shall require a bond in an adequate sum, conditioned upon  
18 faithfully accounting for all money collected. However, the commis-  
19 sioner may waive the bond requirements of an instrumentality of the  
20 United States or its agents and employees, when the instrumentality or  
21 its agents or employees sell licenses primarily to persons in the  
22 armed forces. Each person, upon appointment by the commissioner, may  
23 administer oaths on applications for licenses and tags.

24 \* Sec. 5. AS 16.05.390 is amended to read:

25           Sec. 16.05.390. FEES AND COMPENSATION FOR ISSUANCE OF LICENSES  
26 AND TAGS. (a) Except as provided in (e) of this section, an agent  
27 appointed and authorized by the commissioner [OF REVENUE] under  
28 AS 16.05.380 to sell licenses and tags is entitled to

29           (1) retain five percent of the fee that is charged for a

1 license or tag or 25 cents for each license or tag sold, whichever is  
2 greater; and

3 (2) compensation of \$50 per year or compensation for  
4 licenses and tags [\$1 FOR EACH LICENSE OR TAG] sold during the year  
5 according to the following schedule, whichever is greater:

6 Sets up a  
7 system of reim-  
8 busement based  
9 on how many are  
10 sold.

- 6 (A) 1 - 50 licenses and tags . . . . . \$1 each;
- 7 (B) 51 - 250 licenses and tags . . . . . \$0.75 each;
- 8 (C) 251 - 500 licenses and tags . . . . . \$0.50 each;
- 9 (D) more than 500 . . . . . \$0.25 each.

10 (b) Each agent authorized to sell licenses or tags under AS 16.-  
11 05.380 shall, as directed by the commissioner [OF REVENUE], transmit  
12 the proceeds from the sales of licenses and tags, except the amount  
13 authorized to be retained under (a)(1) of this section, together with  
14 a report of the sales, to the commissioner for deposit in the fish and  
15 game fund or the general fund.

16 (c) On March 31, June 30, September 30, and December 31 of each  
17 year the commissioner [OF REVENUE] shall calculate the compensation  
18 earned by an agent under (a)(2) of this section minus any penalties  
19 assessed under (g) of this section. If the compensation due exceeds  
20 \$50, the commissioner shall pay the compensation not later than 30  
21 days after the date for which the compensation was calculated. If the  
22 compensation due is \$50 or less, the commissioner shall pay the com-  
23 pensation not later than January 30 of the year following the year in  
24 which the compensation was earned. The commissioner shall pay compen-  
25 sation [IN AN AMOUNT EXCEEDING \$50] only for sales of licenses or tags  
26 for which the commissioner has received the report and proceeds  
27 required to be transmitted under (b) of this section.

deduction  
for  
penalties

deletion to conform  
with  
(2) above

28 (d) Compensation provided by this section shall be paid from  
29 appropriations made to the department [DEPARTMENT OF REVENUE] from the

1 general fund.

2 (e) The provisions of (a) of this section do not apply to a  
3 state employee appointed by the commissioner [OF REVENUE] under  
4 AS 16.05.380 to sell licenses and tags.

5 \* Sec. 6. AS 16.05.390 is amended by adding new subsections to read:

6 *Sets*  
7 *deadlines*  
8 *for*  
9 *proceeds*  
10 *and*  
11 *reports*  
(f) Proceeds and reports under (b) of this section shall be transmitted to the commissioner by the last day of the month following the month in which the licenses and tags are sold. The commissioner may grant an extension of not more than 30 days if the agent establishes that

12 (1) failure to grant an extension would impose an excessive financial hardship on the agent;

13 (2) the proceeds from the license and tag sales for the period, including the amount that the agent is authorized to retain, total less than \$1,000; and

14 (3) the cumulative amount of proceeds due from the agent, including the proceeds due for the current period, does not exceed \$1,000.

15  
16  
17  
18  
19 (g) The commissioner may assess a penalty against an agent who  
20 does not transmit proceeds within the time allowed under (f) of this  
21 section. The penalty shall be in an amount equal to one and one-half  
22 percent of the amount of proceeds due. The penalty may be assessed  
23 for each month or portion of a month that the proceeds are delinquent.  
24 A penalty under this subsection shall be withheld from the agent's  
25 compensation under (b)(2) of this section.

26 \* Sec. 7. AS 16.05.400(b) is amended to read:

27 (b) A sport fishing, hunting or trapping license is not required  
28 of a resident who is 60 years of age or more and has been a resident  
29 for one year or more. The commissioner [OF REVENUE] shall issue a

1 permanent identification card without charge to persons who qualify by  
2 age and residence and who complete the forms required by the commis-  
3 sioner for implementation of this subsection. A person who is issued  
4 a permanent identification card under this subsection shall have it in  
5 possession while sport fishing, hunting or trapping.

6 \* Sec. 8. AS 16.05.405(b) is amended to read:

7 (b) A resident hunting license indicating that the purchaser is  
8 blind may be obtained from the department [DEPARTMENT OF REVENUE] upon  
9 payment of the fee prescribed in AS 16.05.340 and upon presentation of  
10 either an affidavit of the applicant stating that the applicant cannot  
11 distinguish light from darkness or an affidavit signed by a licensed  
12 physician or a licensed optometrist stating that the applicant's  
13 central visual acuity does not exceed 20/200 in the better eye with  
14 correcting lenses or that the applicant's widest diameter of visual  
15 field subtends an angle no greater than 20 degrees.

16 \* Sec. 9. AS 16.05.450(a) is amended to read:

17 (a) The commissioner [OF REVENUE] or an authorized agent shall  
18 issue a crewmember fishing license under AS 16.05.480 to each quali-  
19 fied person who files a written application at a place in the state  
20 designated by the commissioner, containing the reasonable information  
21 required by the commissioner together with the required fee. The  
22 application shall be simple in form and shall be executed by the  
23 applicant under the penalty of perjury.

24 \* Sec. 10. AS 16.05.460 is amended to read:

25 Sec. 16.05.460. COMMISSIONER [OF REVENUE] MAY APPOINT AGENTS.  
26 The commissioner [OF REVENUE] may appoint qualified persons as agents  
27 to receive applications, issue licenses, and collect license fees  
28 under AS 16.05.440 - 16.05.480, and to assist in the completion of  
29 annual application or renewal forms for interim-use permits and entry

1 permits issued under AS 16.43.

2 \* Sec. 11. AS 16.05.470 is amended to read:

3 Sec. 16.05.470. FEE FOR ISSUANCE OF LICENSES AND INTERIM-USE OR  
4 ENTRY PERMITS. (a) A person appointed and authorized by the commis-  
5 sioner [OF REVENUE] to sell licenses under AS 16.05.440 - 16.05.480,  
6 except salaried employees of the state, shall retain the sum of 15  
7 percent of the fee for the issuance of a license. An agent shall  
8 transmit monthly to the commissioner all license fees collected by the  
9 agent, less the authorized commission, together with a full accounting  
10 of the fees. The commissioner shall make monthly remittances of the  
11 fees collected to the proper state official. The commissioner is not  
12 liable for defalcation or failure to account for the fees collected by  
13 an agent, but the commissioner shall require a bond in the sum the  
14 commissioner considers adequate, conditioned upon the faithful ac-  
15 counting of money collected.

16 *new language* (b) A person appointed and authorized by the commissioner [OF  
17 REVENUE] under AS 16.05.460 to issue licenses under AS 16.05.440 -  
18 16.05.480, except salaried employees of the state, shall retain the  
19 sum of 15 percent of the interim-use or entry permit fee for assisting  
20 in completion of the annual application or renewal form for the inter-  
21 im-use or entry permit. An agent shall transmit promptly to the  
22 Commercial Fisheries Entry Commission all application or renewal forms  
23 and fees collected by the agent, less the authorized commission,  
24 together with a full accounting of the fees. The commissioner and the  
25 Commercial Fisheries Entry Commission are not liable for defalcation  
26 or failure to account for the fees collected by an agent, but the  
27 commissioner shall require a bond in the sum the commissioner consid-  
28 ers adequate, conditioned upon the faithful accounting of money col-  
29 lected.

1 \* Sec. 12. AS 16.05.470 is amended by adding new subsections to read:

2 (c) Forms and fees under (a) or (b) of this section shall be  
3 transmitted to the commissioner or to the Commerical Fisheries Entry  
4 Commission, respectively, by the last day of the month following the  
5 month in which the fees are collected. The commissioner or the com-  
6 mission, as appropriate, may grant an extension of not more than 30  
7 days if the agent establishes that

8 (1) failure to grant an extension would impose an excessive  
9 financial hardship on the agent;

10 (2) the fees collected by the agent for the period, includ-  
11 ing the amount that the agent is authorized to retain, totals less  
12 than \$1,000; and

13 (3) the cumulative amount of fees due from the agent,  
14 including the fees due for the current period, does not exceed \$1,000.

15 (d) The commissioner or the commission, as appropriate, may  
16 assess a penalty against an agent who does not transmit fees within  
17 the time allowed under (c) of this section. The penalty shall be in  
18 an amount equal to one and one-half percent of the amount of fees due.  
19 The penalty may be assessed for each month or portion of a month that  
20 the fees are delinquent.

21 \* Sec. 13. AS 16.05.826(a) is amended to read:

22 (a) The waterfowl conservation tag authorized in AS 16.05.-  
23 340(a)(17) shall be produced annually in stamp form by the department  
24 in an amount the commissioner [DEPARTMENT OF REVENUE] considers appro-  
25 priate. The department shall make stamps available for the creation  
26 of waterfowl conservation limited edition prints and shall provide for  
27 the sale of stamps and prints to the public.

Sets  
the  
same  
report  
ing  
proceeds  
and  
penalty  
require-  
ments  
for  
Interim  
Use  
Permits  
+  
Limited  
Entry  
Permits  
as  
in  
Sect.  
6  
above

Original sponsor: Boyer

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 CS FOR HOUSE BILL NO. 510 (Resources)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act transferring responsibility for the issuance  
7 of certain fishing, hunting, and trapping licenses,  
8 tags, and identification cards from the commissioner  
9 of revenue to the commissioner of fish and game; and  
10 relating to compensation for, penalties against, and  
11 proceeds, fees, forms, and reports transmitted by  
12 agents who sell or collect fees for certain licenses,  
13 tags, and permits."

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

15 \* Section 1. AS 16.05.335 is amended to read:

16 Sec. 16.05.335. COMPLIMENTARY LICENSES. The commissioner [OF  
17 REVENUE] shall annually, at the request of the governor, provide the  
18 governor with not more than 50 complimentary fishing and hunting  
19 licenses and appropriate big game tags which the governor may distri-  
20 bute to distinguished visitors to Alaska for their use in any one  
21 season during their visits to the state. The complimentary license  
22 for sport fishing or hunting or both shall be inscribed by the gover-  
23 nor with the inclusive dates for its authorized use. The governor  
24 shall advise the department on any complimentary issuances, which  
25 information shall be available to the public.

\* Sec. 2. AS 16.05.340(c) is amended to read:

(c) The commissioner [OF REVENUE] may issue a duplicate license  
or a duplicate tag as a replacement for a license or tag issued under  
(A) of this section. A fee of \$2 shall be charged for each duplicate

1 license or tag and the duplicate shall not be issued unless the com-  
2 missioner [OF REVENUE] or a delegate is satisfied that the original  
3 has been lost or destroyed. This subsection does not apply to a  
4 25-cent license issued under (a)(6) of this section.

5 \* Sec. 3. AS 16.05.360 is amended to read:

6 Sec. 16.05.360. COMMISSIONER [OF REVENUE] CHARGED WITH LICENSE  
7 ISSUANCE. The commissioner [OF REVENUE] or an authorized deputy shall  
8 issue each license and tag to a qualified person under written appli-  
9 cation containing such reasonable information as required by the  
10 commissioner. The commissioner shall designate the license and tag  
11 form or type. The form or type shall be sufficient to identify and  
12 locate the applicant and establish the applicant's status as to resi-  
13 dency and citizenship. Each application shall be subscribed and sworn  
14 to by the applicant before an officer authorized to administer oaths  
15 in the state.

16 \* Sec. 4. AS 16.05.380 is amended to read:

17 Sec. 16.05.380. COMMISSIONER [OF REVENUE] MAY APPOINT AGENTS.  
18 The commissioner [OF REVENUE] may appoint state employees or other  
19 persons to take applications, issue licenses and tags, and collect  
20 fees. The commissioner is not liable for defalcation or failure to  
21 account for the fees collected by any person so appointed, but the  
22 commissioner shall require a bond in an adequate sum, conditioned upon  
23 faithfully accounting for all money collected. However, the commis-  
24 sioner may waive the bond requirements of an instrumentality of the  
25 United States or its agents and employees, when the instrumentality or  
26 its agents or employees sell licenses primarily to persons in the  
27 armed forces. Each person, upon appointment by the commissioner, may  
28 administer oaths on applications for licenses and tags.

29 \* Sec. 5. AS 16.05.390 is amended to read:

1           Sec. 16.05.390. FEES AND COMPENSATION FOR ISSUANCE OF LICENSES  
2 AND TAGS. (a) Except as provided in (e) of this section, an agent  
3 appointed and authorized by the commissioner [OF REVENUE] under  
4 AS 16.05.380 to sell licenses and tags is entitled to

5           (1) retain five percent of the fee that is charged for a  
6 license or tag or 25 cents for each license or tag sold, whichever is  
7 greater; and

8           (2) compensation of \$50 per year or compensation for  
9 licenses and tags [\$1 FOR EACH LICENSE OR TAG] sold during the year  
10 according to the following schedule, whichever is greater:

- 11                   (A) 1 - 50 licenses and tags . . . . . \$1 each;  
12                   (B) 51 - 250 licenses and tags . . . . . \$0.75 each;  
13                   (C) 251 - 500 licenses and tags . . . . . \$0.50 each;  
14                   (D) more than 500 . . . . . \$0.25 each.

15           (b) Each agent authorized to sell licenses or tags under AS 16.-  
16 05.380 shall, as directed by the commissioner [OF REVENUE], transmit  
17 the proceeds from the sales of licenses and tags, except the amount  
18 authorized to be retained under (a)(1) of this section, together with  
19 a report of the sales, to the commissioner for deposit in the fish and  
20 game fund or the general fund.

21           (c) On March 31, June 30, September 30, and December 31 of each  
22 year the commissioner [OF REVENUE] shall calculate the compensation  
23 earned by an agent under (a)(2) of this section minus any penalties  
24 assessed under (g) of this section. If the compensation due exceeds  
25 \$50, the commissioner shall pay the compensation not later than 30  
26 days after the date for which the compensation was calculated. If the  
27 compensation due is \$50 or less, the commissioner shall pay the com-  
28 pensation not later than January 30 of the year following the year in  
29 which the compensation was earned. The commissioner shall pay

1 compensation [IN AN AMOUNT EXCEEDING \$50] only for sales of licenses  
2 or tags for which the commissioner has received the report and pro-  
3 ceeds required to be transmitted under (b) of this section.

4 (d) Compensation provided by this section shall be paid from  
5 appropriations made to the department [DEPARTMENT OF REVENUE] from the  
6 general fund.

7 (e) The provisions of (a) of this section do not apply to a  
8 state employee appointed by the commissioner [OF REVENUE] under  
9 AS 16.05.380 to sell licenses and tags.

10 \* Sec. 6. AS 16.05.390 is amended by adding new subsections to read:

11 (f) Proceeds and reports under (b) of this section shall be  
12 transmitted to the commissioner by the last day of the month following  
13 the month in which the licenses and tags are sold. The commissioner  
14 may grant an extension of not more than 30 days if the agent estab-  
15 lishes that

16 (1) failure to grant an extension would impose an excessive  
17 financial hardship on the agent;

18 (2) the proceeds from the license and tag sales for the  
19 period, including the amount that the agent is authorized to retain,  
20 total less than \$1,000; and

21 (3) the cumulative amount of proceeds due from the agent,  
22 including the proceeds due for the current period, does not exceed  
23 \$1,000.

24 (g) The commissioner may assess a penalty against an agent who  
25 does not transmit proceeds within the time allowed under (f) of this  
26 section. The penalty shall be in an amount equal to one and one-half  
27 percent of the amount of proceeds due. The penalty may be assessed  
28 for each month or portion of a month that the proceeds are delinquent.  
29 A penalty under this subsection shall be withheld from the agent's

1 compensation under (b)(2) of this section.

2 \* Sec. 7. AS 16.05.400(b) is amended to read:

3 (b) A sport fishing, hunting or trapping license is not required  
4 of a resident who is 60 years of age or more and has been a resident  
5 for one year or more. The commissioner [OF REVENUE] shall issue a  
6 permanent identification card without charge to persons who qualify by  
7 age and residence and who complete the forms required by the commis-  
8 sioner for implementation of this subsection. A person who is issued  
9 a permanent identification card under this subsection shall have it in  
10 possession while sport fishing, hunting or trapping.

11 \* Sec. 8. AS 16.05.405(b) is amended to read:

12 (b) A resident hunting license indicating that the purchaser is  
13 blind may be obtained from the department [DEPARTMENT OF REVENUE] upon  
14 payment of the fee prescribed in AS 16.05.340 and upon presentation of  
15 either an affidavit of the applicant stating that the applicant cannot  
16 distinguish light from darkness or an affidavit signed by a licensed  
17 physician or a licensed optometrist stating that the applicant's  
18 central visual acuity does not exceed 20/200 in the better eye with  
19 correcting lenses or that the applicant's widest diameter of visual  
20 field subtends an angle no greater than 20 degrees.

21 \* Sec. 9. AS 16.05.450(a) is amended to read:

22 (a) The commissioner [OF REVENUE] or an authorized agent shall  
23 issue a crewmember fishing license under AS 16.05.480 to each quali-  
24 fied person who files a written application at a place in the state  
25 designated by the commissioner, containing the reasonable information  
26 required by the commissioner together with the required fee. The  
27 application shall be simple in form and shall be executed by the  
28 applicant under the penalty of perjury.

29 \* Sec. 10. AS 16.05.460 is amended to read:

1           Sec. 16.05.460. COMMISSIONER [OF REVENUE] MAY APPOINT AGENTS.  
2           The commissioner [OF REVENUE] may appoint qualified persons as agents  
3           to receive applications, issue licenses, and collect license fees  
4           under AS 16.05.440 - 16.05.480, and to assist in the completion of  
5           annual application or renewal forms for interim-use permits and entry  
6           permits issued under AS 16.43.

7           \* Sec. 11. AS 16.05.470 is amended to read:

8           Sec. 16.05.470. FEE FOR ISSUANCE OF LICENSES AND INTERIM-USE OR  
9           ENTRY PERMITS. (a) A person appointed and authorized by the commis-  
10          sioner [OF REVENUE] to sell licenses under AS 16.05.440 - 16.05.480,  
11          except salaried employees of the state, shall retain the sum of 15  
12          percent of the fee for the issuance of a license. An agent shall  
13          transmit monthly to the commissioner all license fees collected by the  
14          agent, less the authorized commission, together with a full accounting  
15          of the fees. The commissioner shall make monthly remittances of the  
16          fees collected to the proper state official. The commissioner is not  
17          liable for defalcation or failure to account for the fees collected by  
18          an agent, but the commissioner shall require a bond in the sum the  
19          commissioner considers adequate, conditioned upon the faithful ac-  
20          counting of money collected.

21          (b) A person appointed and authorized by the commissioner [OF  
22          REVENUE] under AS 16.05.460 to issue licenses under AS 16.05.440 -  
23          16.05.480, except salaried employees of the state, shall retain the  
24          sum of 15 percent of the interim-use or entry permit fee for assisting  
25          in completion of the annual application or renewal form for the inter-  
26          im-use or entry permit. An agent shall transmit promptly to the  
27          Commercial Fisheries Entry Commission all application or renewal forms  
28          and fees collected by the agent, less the authorized commission,  
29          together with a full accounting of the fees. The commissioner and the

1 Commercial Fisheries Entry Commission are not liable for defalcation  
2 or failure to account for the fees collected by an agent, but the  
3 commissioner shall require a bond in the sum the commissioner consid-  
4 ers adequate, conditioned upon the faithful accounting of money col-  
5 lected.

6 \* Sec. 12. AS 16.05.470 is amended by adding new subsections to read:

7 (c) Forms and fees under (a) or (b) of this section shall be  
8 transmitted to the commissioner or to the Commerical Fisheries Entry  
9 Commission, respectively, by the last day of the month following the  
10 month in which the fees are collected. The commissioner or the com-  
11 mission, as appropriate, may grant an extension of not more than 30  
12 days if the agent establishes that

13 (1) failure to grant an extension would impose an excessive  
14 financial hardship on the agent;

15 (2) the fees collected by the agent for the period, includ-  
16 ing the amount that the agent is authorized to retain, totals less  
17 than \$1,000; and

18 (3) the cumulative amount of fees due from the agent,  
19 including the fees due for the current period, does not exceed \$1,000.

20 (d) The commissioner or the commission, as appropriate, may  
21 assess a penalty against an agent who does not transmit fees within  
22 the time allowed under (c) of this section. The penalty shall be in  
23 an amount equal to one and one-half percent of the amount of fees due.  
24 The penalty may be assessed for each month or portion of a month that  
25 the fees are delinquent.

26 \* Sec. 13. AS 16.05.826(a) is amended to read:

27 (a) The waterfowl conservation tag authorized in AS 16.05.-  
28 340(a)(17) shall be produced annually in stamp form by the department  
29 in an amount the commissioner [DEPARTMENT OF REVENUE] considers

1 appropriate. The department shall make stamps available for the  
2 creation of waterfowl conservation limited edition prints and shall  
3 provide for the sale of stamps and prints to the public.  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29

H B

5 2 4

STATE OF ALASKA  
THE LEGISLATURE

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

LEGISLATIVE AFFAIRS AGENCY  
LEGISLATIVE REFERENCE LIBRARY

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMFR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

House Files:

3-29-88

4-6-88

**STATE OF ALASKA  
1988 LEGISLATIVE SESSION**

BILL VERSION: CSHB 524 (HESS)  
PUBLISH DATE: HOUSE 4/21/88

**FISCAL NOTE**

**REQUEST:**

Revision Date: \_\_\_\_\_  
Title: Relating to the application of water quality criteria.

Agency Affected: Environmental Conservation  
BRU: Environmental Quality

Sponsor: Frank, Miller, Bover and Shultz  
Requestor: House HESS

Components: Southeast, Southcentral and Northern Regional Offices

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES	0	858.0				
TRAVEL	0	90.0				
CONTRACTUAL	0	185.0				
SUPPLIES	0	9.0				
EQUIPMENT	0	27.0	9.0			
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
<b>TOTAL OPERATING</b>	<b>0</b>	<b>1,169.0</b>	<b>438.3</b>	<b>352.1</b>	<b>573.6</b>	<b>489.7</b>
<b>CAPITAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>REVENUE</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	0	1,057.0	438.3	352.1	573.6	489.7
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**POSITIONS:**

FULL-TIME	18.0					
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

**ANALYSIS : (Attach a separate page if necessary)**

See Attachment

Prepared by: Dan Easton, Deputy Director  
Division: Division of Environmental Quality

Phone: 465-2640  
Date: 4/6/88

Approved by Commissioner: [Signature]  
Agency: Environmental Conservation

Date: April 14, 1988

**Distribution (by preparer):**

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

## DEPARTMENT OF ENVIRONMENTAL CONSERVATION

## HB 524 FISCAL NOTE ANALYSIS

(April 4, 1988)

The fiscal note includes funding to determine mixing zones for all wastewater discharges in Alaska as required by HB 524. While the Department presently includes mixing zones in many of the state and federal wastewater discharge permits it issues or certifies, HB 524 mandates that mixing zones be issued for all wastewater discharges and alters the sizing criteria.

Consequently, new mixing zones would have to be calculated. HB 524 also moves the burden of providing information and mixing zone calculations from the permit applicant to the Department.

The annual costs associated with implementing HB 524 were derived using the number of state and federal wastewater permits due to be reissued in each of the next five fiscal years. A new mixing zone would be calculated as each wastewater permit was due for renewal. Because the term of most wastewater permits is five years, this has the effect of spreading the total costs over a five-year period. (The drawback to this approach is that years would pass before mixing zones could be calculated for some discharges. In the interim, the legal status of the permits

awaiting designation of a new mixing zone would be unclear.) For purposes of projecting costs, it was assumed that the number of wastewater permits in effect would not change from current levels.

To begin to implement HB 524 in FY 89, a total of 18 new positions would be required to calculate a mixing zone for each of the 724 permits to be reissued. Of these positions, three will be non-technical support positions. The other 15 would be technical staff. The technical staff would be assigned the following responsibilities:

- o As required by HB 524, for each wastewater discharge, the new positions would collect information pertaining to: the physical, chemical, biological and mixing characteristics of the receiving waters; the uses of the receiving waters; and the characteristics of the effluent. In many cases, collecting this information would require travel to the site. For major discharges, the Department would contract with consultants to provide the required information.
  
- o The new positions would calculate dilution and mixing rates, and mathematically model the mixing of the effluent and receiving waters to predict pollutant concentrations as a function of distance from the outfall. For major discharges such as those from pulp mills, the ballast water treatment

facility at Valdez, and off-shore mining operations, computer models will be used. For smaller, simpler discharges, staff would hand-calculate mixing behavior.

- o From predicted pollutant concentrations, the new staff would delineate mixing zones on the basis of the "as small as practicable" criterion prescribed by HB 524. The Department would then designate the mixing zones in state wastewater permits. For wastewater discharges permitted under the federal wastewater permitting (NPDES) program, the Department will request that the U.S. Environmental Protection Agency (EPA) include the mixing zones in the federal permits.

In addition to the personal services and support costs for the required 18 new positions, the fiscal note includes contractual funds in the amount of \$95.0 for FY 89. These funds will be needed to secure technical consultant assistance in collecting information and calculating mixing zones for major discharges to marine waters.

Annual costs decrease from FY 89 levels as the number of permits due for renewal decrease. While not shown on the fiscal note, the FY 94 costs would again rise to FY 89 levels.

The costs for mixing zone calculations could be reduced approximately by half if the bill were applied only to fresh waters. This would exclude most major industrial facilities and seafood processing plants.

STATE OF ALASKA

cc HB 524/men  
+ cc Sam's m...  
STEVE COWPER, GOVERNOR

**DEPT. OF ENVIRONMENTAL CONSERVATION**  
OFFICE OF THE COMMISSIONER  
P.O. BCX O, JUNEAU, ALASKA 99811-1800

Telephone: (907)  
Address:  
(907) 465-2600

May 6, 1988

The Honorable Sam Cotten  
Co-Chair  
House Resources Committee  
P.O. Box V  
Juneau, Alaska 99811

Dear Representative Cotten:

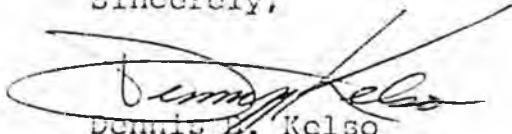
I am writing to inform you of the status of the amendments to the Water Quality Standards (18 AAC 70) and the Department's Administrative Procedures (18 AAC 15) proposed in October 1987. The amendments involve changing the mixing zone provision and adding a new provision for start-up variances. Our objective is to provide more flexibility for placer mining while protecting other water uses and complying with legal requirements.

The original public comment period was to have closed on December 24. We extended the public comment period, and accepted additional comments through February 12, 1988. We received many excellent comments and have spent the time since the close of the comment period carefully considering them all. The Attorney General's Office helped us with the legal questions raised.

As a result of the comments and suggestions received, we have rewritten the proposed amendments to the mixing zone provision. A copy of the amendments showing the revisions is attached. We are currently working on the start-up variance provision and expect to have revisions completed soon. I will send you a copy of this amendment when we have the revised wording.

I appreciate your interest in the Water Quality Standards, and will continue to keep you informed.

Sincerely,

  
Dennis P. Kelso  
Commissioner

Enclosure