

ALASKA LEGISLATURE COMMITTEE FILES, 1989-1990 8672
6572 SENATE RESOURCES

976

Representative Cliff Davidson

Page 10

February 6, 1989

REDUCTION BY A CREDIT AGAINST THE TAXPAYER'S FUTURE TAX LIABILITY, OR IS THE PAYMENT OF AN IMMEDIATE [CASH] REFUND REQUIRED?

If retrospective application of the ELF adjustment reduces the tax liability of any taxpayer, the revenue having been received and deposited into the general fund, the state would not be able to refund amounts that have been previously paid by the taxpayer to that taxpayer without an appropriation. However, article IX, section 6 of the state constitution provides that appropriations of public money may be made only for a public purpose. In states operating with a constitutional provision comparable to Alaska's in which there has been a proposed payment of a retroactive refund of a validly enacted tax, the appropriation has been held to violate those constitutional provisions. Japan Line, Ltd. v. MacCaffree, 558 P.2d 211 (Wash., 1977); City of Yakima v. Huza, 407 P.2d 815 (Wash., 1965); In re Estate of Skinner, 303 P.2d 745 (Cal., 1956); San Bernardino County v. Way, 117 P.2d 354 (Cal., 1941). These considerations then would favor the use of a credit due the taxpayer against the taxpayer's future tax liability, for the use of this approach would necessarily avoid a "public purpose" challenge under article IX, section 6.

IV

TO THE EXTENT THAT THE BILL MAKES A RETROACTIVE TAX REDUCTION, IS INTEREST PAYABLE ON THAT REDUCTION? IF SO, FROM WHAT DATE WOULD INTEREST ACCRUE?

Assuming the draft makes a retroactive tax reduction, I would treat the reduction as the equivalent of a refund of taxes legally collected. In a refund situation, the legislature may shape the conditions and limitations of that refund. While interest is generally recoverable on the amount of the refund, the few Alaska precedents suggest that payment of interest is discretionary and depends principally on whether or not the legislature, by statute, has authorized its payment.

By statute, interest is allowed on an overpayment of a tax levied and collected under AS 43. See AS 43.05.280. That statute is, of course, more generally applicable to instances involving tax payments made in regular fashion, and not to adjustments made by retrospective application of a change of the tax law. But it would seem to have applicability to the changes suggested under AS 43.55. Apart from the statute, I know of nothing that mandates

Representative Cliff Davidson
Page 11
February 6, 1989

payment of interest on a tax refund due for a tax that, at the time of levy, was legally collectable, and suggest that the state may act with respect to interest on the tax refunds as it sees fit.

The committee should determine what it wants to do and give instructions, and the draft will be prepared accordingly.

V

TO THE EXTENT THAT THE BILL INCREASES A TAXPAYER'S LIABILITY, IS THE TAXPAYER OBLIGATED TO PAY INTEREST ON THE INCREASED LIABILITY? IF SO, FROM WHAT DATE WOULD INTEREST ACCRUE?

Assuming the committee substitute serves to establish a greater liability on the part of certain taxpayers for one or more "past due" months, that liability arises not under AS 43.55.020(a), but by operation of this law. The legislature has authority to determine whether interest should be paid, and from what date it should be paid.

The bill should not leave taxpayers subject to the assertion that they failed to remit taxes by the deadlines established in AS 43.55.020(a). In each measure, I have incorporated an additional provision that sets a date certain for reporting and paying the retroactive tax liability. Thereafter, if the amount due has not been timely remitted, provisions governing delinquency should apply.

*

Your January 30 memo asks other questions concerning retroactive application of the proposed ELF changes. Let me briefly respond.

As should be clear from the decision in Atlantic Richfield v. State, there is sound benefit in adhering to the requirements outlined in the Agency's drafting manual. The current manual, at pp. 27, 28, instructs that

The language providing for retroactive application of a bill or part of a bill should be set out in a separate section immediately preceding the effective date section. The retroactive section and the sections in the bill that are to be retroactive should have immediate effective date clauses.

I am bound to follow the drafting manual, and any draft version of legislation prepared for the committee's

Representative Cliff Davidson
Page 12
February 6, 1989

consideration that contained a retroactive provision would necessarily include an immediate effective date. All the drafts I would provide for the committee's consideration would contain the effective date clause. However, if, in a mark-up, the committee directs (on the record) deletion of the clause with the immediate effective date, I would provide the bill with that section omitted. But, before departing from the directive of the manual, I would want to have committee instruction, for I think it is important that the record show why there has been a departure from standard drafting procedure.

If one house or both houses fail to adopt an immediate effective date for legislation having a retroactive provision, the bill would still take effect. The effective date would be delayed 90 days, however, but the retroactive elements of the legislation would not be impaired by that delay.

JBC:kb
wkk1/109

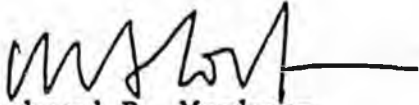
Enclosure

MEMORANDUM

State of Alaska
Department of Law

TO: Mary Halloran
Director
Division of Policy
Office of Management and Budget
Office of the Governor

DATE: March 31, 1988
FILE NO: 663-88-0432
TEL. NO: 465-3600
SUBJECT: Retroactivity of HB 164


FROM: Richard D. Monkman
Assistant Attorney General

You requested our opinion as to whether CSHB 164(Fin) am ("HB 164"), which would retroactively apply changes to the economic limit factor in the Oil and Gas Properties Production Tax (AS 43.55), would be likely to be held constitutionally permissible. If not, you ask our advice on "the maximum degree of retroactive application that would likely be held permissible."

The short answer is that the sections which would make HB 164 retroactive to June 1, 1987, would likely be held constitutional. If the law was retroactive to January 1, 1988, it would certainly be held constitutional.

1. Article II. The first step in analysis is the Alaska Constitution, article II, section 18:

Laws passed by the legislature become effective ninety days after enactment. The legislature may, by concurrence of two-thirds of the membership of each house, provide for another effective date.

This section was designed to give the public three months notice of a new law before it is applied to them - unless the legislature, by a two-thirds vote, provides otherwise. State v. A.L.I.V.E. Voluntary, 606 P.2d 769 (Alaska 1980). In line with this provision, the general state policy is against retroactive statutes, based on the philosophy that people "should be able to rely on existing laws with reasonable certainty." Norton v. State, ABC Board, 695 P.2d 1090, 1093 (Alaska 1985). Retroactive application of new laws requires an express statement in the statute itself:

No statute is retrospective unless expressly declared therein.

AS 01.10.090.

Mary Halloran, Director
Division of Policy
663-88-0432

March 31, 1988
Page 2

The leading case on point is Atlantic Richfield v. State, 705 P.2d 418, 438 (Alaska 1985). In this challenge to Alaska's former "separate accounting" oil tax statute, the Supreme Court upheld retroactive application of the statute back from the date of enactment to the beginning of the calendar year. The bill in question was signed into law on July 8, 1978. It provided:

* Sec. 4. This Act applies to taxable income earned or received after December 31, 1977.

* Sec. 5. The Act takes effect immediately in accordance with AS 01.10.070(c).

Ch. 110 SLA 1978.

Retroactive application was challenged by the oil companies. The Supreme Court held that the statute was "properly retroactive to January 1, 1978," because (1) the statute expressly stated it was to be retroactive, in accord with AS 01.10.090 and (2) the two-thirds vote requirement on the immediate effective date clause was met. The Court rejected oil company arguments that a separate two-thirds vote was required for retroactivity:

AS 01.10.090 states that "[n]o statute is retrospective unless expressly declared therein." A two-thirds vote requirement does not appear in that section, or elsewhere in Alaska law. The legislature, however, has recognized that where retroactive application of a portion or all of a bill is desired, an immediate effective date, which does require a two-thirds vote under article II, sec. 18 and AS 01.10.070(a), should be used in conjunction with the retroactivity section.

705 P.2d at 438, citing Legislative Affairs Agency, Manual of Legislative Drafting II (1977 ed.) and Uniform Rules of the Alaska State Legislature, Rule 10 (May 3, 1977); accord, Legislative Affairs Agency, Manual of Legislative Drafting 28-29 (1987 ed.).

The language of sections 3 and 4 of HB 164 is similar to the language approved by the Supreme Court in Atlantic Richfield. Ch. 110 SLA 1978. If passed by the legislature with the requisite two-thirds vote on the effective date clause, the bill is certain to pass this first constitutional hurdle. Without passage of the effective date clause by a two-thirds vote, the retroactive application section will be void, and the bill will operate prospectively only.

2. Due Process. The next constitutional question is whether the bill would offend guarantees of due process of law. Generally speaking, there is no vested right in any particular rate of taxation. Cohan v. Commissioner, 39 F.2d 540, 545 (2d Cir. 1930) (Learned Hand, J.). Both Congress and state legislatures can change tax statutes and apply the changes retroactively:

Taxation is neither a penalty imposed on the taxpayer nor a liability which he assumes by contract. It is but a way of apportioning the cost of government among those who in some measure are privileged to enjoy its benefits and must bear its burdens. Since no citizen enjoys immunity from that burden, its retroactive imposition does not necessarily infringe due process, and to challenge the present tax it is not enough to point out that the taxable event, the receipt of income, antedated the statute.

Welch v. Henry, 305 U.S. 134, 146-147 (1935).

The federal rule on retroactivity is that "the application of an income tax statute to the entire calendar year in which enactment took place does not per se violate the Due Process Clause of the Fifth Amendment." United States v. Darusmont, 449 U.S. 292, 297 (1980). A tax rate "may be retroactively changed at the will of Congress at least for periods of less than twelve months; Congress has done so from the outset..." Cohan, 39 F.2d at 545, quoted in Darusmont, 449 U.S. at 298. The rule is based in large part on Congressional history:

For more than seventy-five years it has been the familiar legislative practice of Congress in the enactment of revenue laws to tax retroactively income or profits received during the year of the session in which the taxing statute is enacted, and in some instances during the year of the preceding session.

Welch, 305 U.S. at 148.

Welch upheld a Wisconsin tax on dividends passed in 1935, and made retroactive to tax years 1933 and 1934. The Court noted that the Wisconsin legislature meets every other year, and thus the 1935 session was "the first opportunity after the tax year in which the income was received" at which the tax could be changed. Reaching back twelve months (1933 taxes were due in

Mary Halloran, Director
Division of Policy
663-88-0432

March 31, 1988
Page 4

1934) did not "exceed" the "limit of permissible retroactivity."
Welch, 305 U.S. at 151.

The federal rule is based largely on questions of "fair notice", whether "the nature or amount of the tax could not have reasonably been anticipated by the taxpayer at the time of the particular voluntary act which the statute later made the taxable event." Welch, 305 U.S. at 147. Changes to tax rates are presumed to be foreseeable. In Darusmont, for example, the Court flatly rejected a taxpayer's argument that retroactivity of an income tax change was barred by due process concerns. The Court stated that the proposed rate increase had been under public discussion in the form of bills before Congress for about a year, and therefore, the taxpayer "had ample advance notice of the increase." 449 U.S. at 299. -/

State courts generally follow the federal rule, noting that "[t]ax provisions, as key components in a system designed to fairly apportion the costs of government, seldom remain static. Rather, we expect them to change in response to changing conditions." Martin v. Board of Assessment Appeals, 707 P.2d 348, 354 (Colo. 1985). The Alaska Supreme Court, as noted above, approved retroactive application of the Oil Tax Act to the full year in which it was enacted. Atlantic Richfield. In another case, the Alaska court had "no doubt" that a license fee increase could have been retroactive to the start of the year of enactment, if the legislature had followed AS 01.10.090 and "stated expressly that it intended the revised fee schedule to be retroactive." State, ABC Board v. Odom, 671 P.2d 375, 377 (Alaska 1983), quoting United States v. Hudson, 299 U.S. 498, 500 (1937) ("it has been the practice of Congress to make [income tax statutes] retroactive for relatively short periods ... and repeated

* The Court also rejected the taxpayer's argument, based on gift tax cases, that he "could have altered his behavior to avoid the tax if it could have been anticipated by him at the time the transaction was effected." Darusmont, 449 U.S. at 299. Gift taxes seem to be the only tax area where the Court has been receptive to arguments against retroactivity. The Court has refused to consider income in the same light as the "one time transaction" of a gift. "[A] tax on the receipt of income is not comparable to a gift tax. We cannot assume that stockholders would refuse to receive corporate dividends even if they knew that their receipt would later be subjected to a new tax or an increase of an old one." Welch v. Henry, 305 U.S. at 148-149.

Mary Halloran, Director
Division of Policy
663-88-0432

March 31, 1988
Page 5

decisions of this court have recognized the practice and sustained it as consistent with the due process clause of the Constitution.").

Because HB 164, as written, goes back beyond the start of the calendar year in which it will be passed, we cannot absolutely assure you that the retroactivity section will be held constitutional. By contrast, there is "no doubt" that the bill could be retroactive to January 1, 1988. Odom, Atlantic Richfield. However, going back further is not an insurmountable problem by any means. The proposed effective date of May 31, 1987 is less than twelve months prior to the presumed date HB 164 will be enacted. Twelve months is a "short period," approved by the United States Supreme Court in Welch and again, albeit implicitly, in Darusmont. The bill proposes to change tax rates, an area which is presumed to be subject to legislative change on a regular basis. In this particular case, the taxpayers have been on actual notice that the tax rate might be changed since HB 164 was introduced in January, 1987. Thus, it can be argued that the May 31, 1987 effective date does not violate due process. We believe these arguments to be very strong, although, given the widespread adherence to the "calendar year" approach by the courts, not absolutely certain of success.

RDM:nb

LAW OFFICES
PRESTON, THORGRIMSON, ELLIS & HOLMAN
420 L STREET SUITE 404
ANCHORAGE ALASKA 99501
1907 278-1269

RECEIVED
Department of Law

MAY - 1 1986

MEMORANDUM

AM 7:39 (9) (1) (2) (3) (4) (5) (6) PM

TO: Deborah Vogt
FROM: Joseph K. Donohue
DATE: April 28, 1986
RE: Retroactive Amendments to ELF Factor

You have requested an opinion concerning the constitutionality of enacting a bill which would retroactively either repeal, or amend the methodology for calculating, the economic limit factor under AS 43.55.013. Specifically, you have asked whether a bill enacted in February 1987 and made retroactive to January 1, 1987 would present any due process problem under the Fifth Amendment to the United States Constitution or under Article I, Section 7 of the Alaska Constitution.

The gross production tax on oil or gas is payable monthly. The tax is due on the 20th day of each month for oil or gas production which occurred during the preceding month. The tax is delinquent if not paid before the end of the month following the month of production. AS 43.55.020(a). Thus, the tax on January production is due on February 20 and is delinquent if not paid on or before February 28.

The economic limit factor is defined in AS 43.55.013 and the Department of Revenue has promulgated a number of regulations which interpret and implement of the provision. See 15 AAC 55.010-.040 and .090. The economic limit factor (ELF) is a concept which is designed to reduce the effective rate of taxation on a producing field as production from that field becomes increasingly marginal. The ELF is multiplied by the percentage-of-value amount set forth in AS 43.55.011(b) or the cents-per-barrel amount calculated under (c) to determine the tax due. AS 43.55.013(b) (2) and (3) provide that during the first 10 years of commercial production from a lease or property, an economic limit factor which is greater than .7 is deemed to be one for purposes of the calculation of tax liability. For example, for the period since 1981 when the .7 threshold was enacted as part of Ch. 116 SLA 1981, the ELF at Prudhoe Bay has been greater than .7 and, therefore, one. This, in turn, means that the ELF does not have any operative effect unless it is found to be less than .7 during the initial 10-year period. For Prudhoe Bay, the 10-year period expires in June 1987.

Page 2.
Deborah Vogt
April 28, 1986

The ELF is derived by the use of a rather complicated mathematical formula which in turn is based on certain simplifying assumptions. For oil, the monthly production rate at the economic limit is presumed to be 300 barrels times the number of well days for the lease or property during the month for which the tax is to be paid. AS 43.55.013(d).

The taxpayer may rebut this presumption at a formal hearing by providing clear and convincing evidence of a different monthly production rate. The determination of the monthly production rate at the economic limit is made by dividing the value at the point of production under AS 43.55.013(f) into the average monthly direct operating costs calculated under subsection (e). The hearing must be held before February 15 of a year or within 6 months after commencement of oil production from a lease or property. The results of the hearing "shall be used for all oil production during that calendar year from the lease or property." AS 43.55.013(d). Therefore, the statute expressly calls for an annual determination with some retroactive effect on the monthly tax period preceding the hearing on the appropriate monthly production rate. This procedural approach makes administrative sense since it is more efficient to have this potentially difficult issue decided on an annual basis rather than on a monthly basis.

Perhaps the leading case on the question of whether a tax statute can apply retroactively to previous tax periods is Welch v. Henry, 305 U.S. 134 (1938). There, the United States Supreme Court upheld a corporate income tax amendment enacted by Wisconsin in March 1935 which was applicable to receipt of corporate dividends in 1933. The court held that, except for a narrow category of gift taxation cases, the legislature had broad authority to adjust or amend tax liability retrospectively.

The exception to this rule mentioned by the court pertained primarily to instances where voluntary irrevocable actions of taxpayers (e.g., making a bequest) were impacted by the retroactive imposition of a tax. The Supreme Court stated that the critical part of the constitutional test was whether "the nature or amount of the tax could not reasonably have been anticipated by the taxpayer at the time of the particular voluntary act which the statute later made the taxable event." 305 U.S. at 147. The cases cited by the court, e.g. Nichols v. Coolidge, 274 U.S. 531 (1927), and Untermeyer v. Anderson, 276 U.S. 440 (1928), were instances where the donor might well not have acted as he did had he anticipated the tax. The court said that the facts of each case and the nature of the tax would have to be examined to determine if retroactivity gives rise to such harsh and oppressive results that it offends the Constitution. The court stated "there are other forms of taxation whose retroactive imposition cannot be said to be similarly offensive, because their incidence

Page 3.
Deborah Vogt
April 28, 1986.

is not on the voluntary act of the taxpayer." 305 U.S. at 147. The court specifically listed property taxes, income taxes and benefit assessments. 305 U.S. at 147-148. The Supreme Court also noted that it was historically the practice of Congress and the Wisconsin Legislature to enact revenue or tax legislation in a given year and to give it effect to the entire calendar year.

The United States Supreme Court more recently upheld the retroactive increase in the minimum tax on preferences in United States v. Darusmont, 449 U.S. 292 (1981). There, an amendment to the Internal Revenue Code enacted in October 1976 was applied to the entire 1976 tax year. In addition to relying on Welch v. Henry, *supra*, the Supreme Court cited its earlier decision in Cooper v. United States, 280 U.S. 409, 411 (1930), which upheld the taxation of gains from "prior but recent transactions." The Supreme Court also relied on the analysis of Judge Learned Hand in Cohan v. Commissioners, 39 F.2d 540, 545 (2d Cir. 1930). Judge Hand, in resolving a similar issue involving retroactivity of a tax, held that nobody had a vested right in the rate of taxation. In responding to the question of whether the tax law change was foreseeable, Judge Hand stated that once a system of taxation is already in place, a taxpayer "must be prepared for such possibilities" 39 F.2d at 545.

Other decisions which uphold tax law changes with arguably retroactive impacts in the face of due process challenges include Buttke v. Commissioner, 625 F.2d 262 (8th Cir. 1980) (involving the same minimum tax amendments subsequently upheld by the U.S. Supreme Court in United States v. Darusmont, *supra*) and Neild v. District of Columbia, 110 F.2d 146, 153 (D.C. Cir. 1940) (involving the constitutionality of the application of a new gross receipts tax measured by the prior year's receipts).

Sometimes retroactive tax laws are challenged under state constitutional provisions barring retrospective laws per se or interference with vested rights. The analytical approach taken by the courts is substantially similar. Under the first line of cases, tax bills which are applied to the entire calendar year in which they are enacted are generally found not to be retrospective in operation. See, e.g., Martin v. Board of Assessment Appeals, 707 P.2d 348 (Colo. 1985). In the Martin case, a law changing the factors to be considered in appraising condominiums which took effect in May 1982 and which was used to assess property values as of January 1, 1982 was upheld. The court held that to find an unconstitutional retrospective effect required a showing of an impairment of a vested right. The court concluded:

Page 4.
Deborah Vogt
April 28, 1986.

... [P]roperty owners have no vested right to have their taxable property assessed by particular methods employed in prior years. ... Since the statute only alters the factors which may be considered in determining actual value, it does not impair the taxpayers' vested rights, and therefore is not unconstitutionally retrospective in its operation. 707 P.2d at 352.

A "vested rights" challenge in the context of a severance tax increase led to an identical conclusion. In Belco Petroleum v. State Board of Equalization, 587 P.2d 204 (Wyo. 1978), a 1975 amendment to the state severance tax increased the amount of tax due for the previous year. Under the Wyoming severance tax, a taxpayer paid his 1974 tax in July 1975 computed on the value of gross production for previous year. In upholding the application of the 1975 increase to the July assessment, the court ruled that such an increase was not retrospective but merely called for a tax measured by or computed on the basis of antecedent facts or transactions. The court also found that there was no vested right in a specific tax rate.

On the basis of the foregoing state and federal cases, one can conclude that there is no vested right in a particular tax rate or in a particular method of determining a tax liability. The U.S. Supreme Court cases focus on whether the transaction was taxable during the period of retroactive coverage and whether said period is reasonable, whether the transactions were "prior but recent" in time with respect to the tax law change, whether the change was reasonably foreseeable and whether or not the taxpayer might have voluntarily acted as he did had he but known of the change.

The question before us involves the proposed repeal or modification of the ELF factor in February 1987, effective January 1, 1987. The retroactive period is at most two months. It would adjust a factor which is determined on an annualized calendar basis under present law. The affected taxpayers are those whose decision to invest and produce oil or gas has already been made and whose production is already subject to taxation. In the State of Alaska, amendments to the oil and gas production tax must certainly be viewed as foreseeable. In fact, the Legislature has discussed and debated changes to the ELF factor during the 1986 legislative session. Under these circumstances, I conclude that neither state nor federal due process limitations would be abrogated by the repeal or amendment of the ELF factor under consideration here. Furthermore, under the analyses set forth in Martin and Belco Petroleum above, a change in the tax rate or ELF methodology prior to February 20, 1987 might not even be viewed as having "retrospective" operation.

f ELF

when I had out in some, and some would need anyone to shut off the lights

Arco spending hike bucks industry trend

Reuters News Service

LOS ANGELES - Atlantic Richfield Co.'s plan to sharply increase its capital budget by 30 percent this year runs contrary to an industry-wide trend of flat to moderately higher spending among U.S. oil companies, energy analysts say.

Arco said Monday it planned to increase its capital spending to \$2.6 billion from \$2 billion in 1988, with the largest increase earmarked for worldwide exploration and production.

"Arco is in a unique position. I don't think you'll see that kind of increase in other companies," said Rosario Ilacqua, an analyst with Nikko Securities Co. "The trend seems to be basically 'flat' in the U.S., with a very hefty increase in overseas expenditures."

Among other U.S. oil companies, Chevron Corp. plans a 15 percent increase, Exxon Corp. is keeping its spending even with last year, Amoco Corp. projects an 18.5 percent spending cut and Shell Oil Co., a unit of Royal Dutch/Shell Group, a 21 percent cut.

A strong cash flow and the recent initial public offering of part of its Lyondell Petrochemical Co. unit enable Arco to make the big increase in capital spending. Arco's gross proceeds from the sale of Lyondell's shares totaled more than \$1.7 billion, including a \$500 million dividend paid by Lyondell to Arco.

Chairman Lawdwick Cook said in a recent interview that the company was looking to expand its international oil and gas operations following the lead it took with the \$330 million acquisition in 1988 of Tricentral Plc, a major North Sea natural gas producer.

In the United States, Arco plans to increase its exploration and production spending by about 38 percent to \$1.15 billion from \$830 million, Arco spokesman Albert Greenstein said.

Cook said Arco would not rule out additional acquisitions, although it is not actively seeking any currently. He added that the company is looking to expand overseas operations in oil, which can be more easily transported than natural gas.

"The boost in overseas spending could take the form of additional North Sea oil reserves," said Eugene Nowak, an analyst with Dean Witter Reynolds.

Same good ole boy who tells a different story to his people - when the oil is gone, then so he it with the "good ole boy"

Energy

Oil companies balk at Alaskan tax plan

Firms may cut investments in state

By ANNE PEARSON
Houston Chronicle

Big oil companies that operate Alaska's two most bountiful oil fields are threatening to put a squeeze on the billions of dollars they plan to invest there in the next few years if the cash-strapped Alaskan government raises oil taxes.

Faced with an \$800 million to \$900 million budget shortfall in 1990, the Alaskan Legislature is considering a bill that would reduce tax breaks oil companies get on oil from the Prudhoe Bay and Kuparuk fields on Alaska's North Slope. Those tax increases would raise an additional \$100 million to \$200 million a year, said Gregg Erickson, senior economist with the governor's office.

Oil is the economic lifeblood of Alaska, providing 85 percent of state revenues, and the oil price slump has devastated government finances.

Proposed changes in Alaska's "economic limit factor," or ELF, would increase the tax on a barrel of oil produced at Prudhoe Bay from 11 percent to 16.9 percent and at Kuparuk from 6 percent to 13.1 percent next year. In Texas, the rate is 4.6 percent.

The ELF was designed in 1977 as a way to reduce the tax burden on Alaskan fields as they mature and become less productive.

But the oil companies have been complaining for the last two weeks in hearings before a House committee that Alaska already charges the highest oil taxes in the country and that the oil industry is being asked to bear an unfair share of the tax burden.

BP America Executive Vice President E. John P. Browne was quoted by Platt's Oilgram News recently as saying that if Alaska persists in this line of fund raising, his company "will have no choice but to cut back

(its) planned developments."

BP, the biggest player in Alaska and the operator of the western half of Prudhoe Bay, plans to spend at least \$400 million there this year and \$2.5 billion over five years.

While they have not been as blunt as Browne, officials with Exxon and Atlantic Richfield, which also have big stakes in the North Slope, have hinted in testimony before the Legislature that their planned investments also may shrink under a heavier tax burden.

That will mean less taxes to government coffers, fewer jobs and less money flowing through the Alaskan economy, they stress.

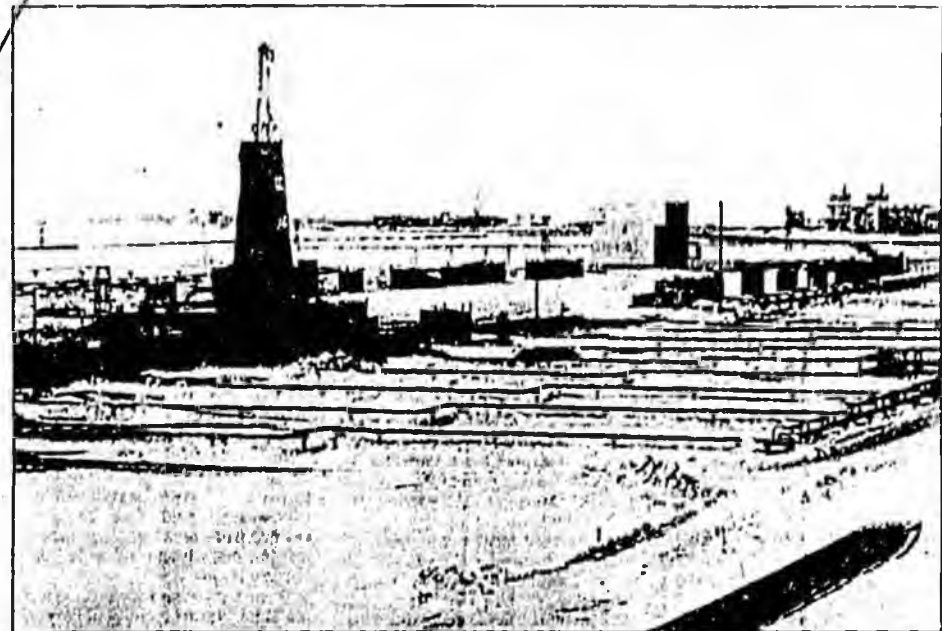
"Oil companies, like all other commercial enterprises, are in business to make a profit. When taxes are increased so as to cut too deeply into that profit, investment activity will inevitably be trimmed back," Exxon tax attorney Gerald Serena recently told a House committee.

"Other than the actual costs of transporting the crude oil, the largest single cost we have in Alaska is not the result of the remoteness of the fields or even the cold," Arco Alaska's senior vice president of operations, Ben Odum, told the same committee. "The largest single item of cost we face in Alaska is taxes."

"Higher costs or lower (oil) prices result in exactly the same thing - more oil left in the ground - more oil that could be recovered becomes uneconomical to recover."

Arco, the second-biggest player in Alaska, plans to spend \$375 million there this year. Exxon declined to reveal its spending plans.

The higher taxes would apply only to Alaska's two largest and most productive fields. The government has tried to neutralize the oil industry's complaint that tax changes would make low-producing fields uneconomical by offering deeper tax breaks on such fields. The govern-



Although drilling rigs must be modified for Arctic conditions at Alaska's Prudhoe Bay, oilmen say state taxes cost their companies more than both the oil field's cold and its remoteness.

ment estimates those breaks will save operators about \$25 million a year.

If the big oil companies do make good on their threat to cut their budgets, that would be bad news for the United States, said energy analyst Bernard J. Picchi with Salomon Bros. in New York.

"Alaska is really the only hope for maintaining the current level of oil production in this country," Picchi said.

Already the United States imports 42 percent of the oil it consumes.

Whether these oil companies actually do take their business elsewhere will have a lot to do with what oil prices do in the next five years, Picchi said.

If the U.S. benchmark crude price stays above \$18 to \$19 a barrel, the companies probably won't pull back from Alaska much, because they can still make money in Alaska at those prices, the analyst said.

But if oil prices collapse or stagnate in the \$12 to \$16 a barrel range,

there are plenty of places overseas where it's cheaper to produce, and the impact on Alaska would be serious, Picchi said.

BP is entrenched in the North Sea and well poised to enter other foreign ventures, Picchi said. Arco also has said recently that it's looking for ways to expand internationally, he added.

While Alaska's need for cash is very real, Picchi said, low oil prices are not the only culprit. Alaska badly mismanaged an oil revenue geyser during the salad days of high prices.

"Alaska had giveaway programs that were almost scandalous in their excess," Picchi said. "They built roads and Taj Mahal schools in rural areas," he said.

Still, the Alaskan government believes it is right in turning to oil companies to keep the government afloat.

Alaska's attitude is that since the oil companies earn a lot of money in Alaska and plow a relatively small amount back in, they should pay a lot

of taxes, according to Erickson.

Out of total cash flow of about \$6.40 a barrel, Erickson said, only \$1 is reinvested in new projects there. "The rest leaves Alaska and we never see it."

But the oil companies still believe the government is getting more than its share.

Alaska already collects more than half of the potential profit from oil production, according to BP. State and local governments take 54 percent of the average operating margin, and after the Internal Revenue Service takes about 16 percent, the industry gets only about 30 percent, the company calculated.

Erickson countered that the oil companies are leaving out lucrative pipeline fees for carrying oil from the North Slope to a port on the Sea of Alaska. When you factor those in, he said, the government ends up with an average of \$2.67 a barrel, while the oil companies that own and operate the pipeline collect an average profit of \$3.46 a barrel.

"They are already too big, they can threaten you? Alaska - come on, come on, who would love to come to Alaska"

Arco tells their stockholders - Alaska provides 80% of their oil - you think they'll leave - -

Do Alaskans really think the oil Co. are going to pray to Alaska about how good they're doing? "Come on now"

Alaska is doing the right thing, liberation is Alaska's future. The oil Co. want you to look stupid by helping them, like this -

Alaska - it's your oil! Remember the Indians in Oklahoma - the same oil Co. are still laughing "one dollar"

Brion
file
oxg

Oil field found near Prudhoe Bay

ANCHORAGE, Alaska (UPI) — A new oil field has been discovered in northern Alaska, a stone's throw from America's biggest oil field, and oil companies are drilling wells to gauge how big the reservoir might be. ARCO Alaska and Exxon USA announced Tuesday.

"It's not another Prudhoe Bay, but it is a discovery," said Susan Andrews, ARCO spokeswoman.

The discovery well was drilled a mere two miles from Prudhoe Bay, the largest oil field in North America, and appears to be a distinct oil reservoir located at a different level below the surface than Prudhoe Bay, Andrews said.

A test well produced 2,500 barrels of oil per day. That is well below Prudhoe Bay discovery wells that produced 10,000 barrels per day, but Prudhoe Bay is an exceptionally large oil accumulation, and the test well oil flow "is certainly significant," Andrews said.

"Now we're trying to find out the size of the accumulation," she said.

The discovery was made at Point McIntyre, two miles north of the Prudhoe Bay producing area, an onshore complex on the arctic coast of Alaska.

The search for new oil has scattered companies out to sea off Alaska's coast and to remote locations far from any existing pipeline or other means of trans-

portation for any new oil discovered.

A discovery so close to Prudhoe Bay and the start of the 800-mile trans-Alaska oil pipeline has excited the oil industry, and Andrews said ARCO, Exxon and BP Exploration will spend \$11 million drilling two new wells in March and April to define the size of the discovery.

More than 2 million barrels of oil daily travel from Prudhoe Bay and other nearby northern Alaska oil fields down the pipeline to the southern Alaska oil port of Valdez, where tankers pick up the crude for delivery to refineries on the West and Gulf coasts.

Drilling at Point McIntyre began last March and continued this year. Oil was found at 8,500 feet. Prudhoe Bay oil is 9,000 feet below the surface. Every indication is that the two accumulations are separate, Andrews said.

At least some of the Point McIntyre reservoir appears to lie offshore in the Beaufort Sea, but Andrews said the companies are employing directional drilling from onshore sites.

The oil companies involved in the project leased some of the discovery tracts as long ago as 1965, Andrews said. Other tracts in the Point McIntyre area were obtained in 1980.

Alaska accounts for one-fourth of American crude oil production.

Did all the news papers and
radio in Alaska bring this
to your attention - or was it just
to pump up the stock market down
here? "in the lower 48" Alaska
showed a rise on both sides of the
sea - from your news media -



ATLANTIC RICHFIELD

Lodwrick Monroe Cook

Los Angeles, Calif. 213-486-3511

Sales: \$16.3 bil. Profits: \$1.2 bil.

Market value: \$14.53 bil.

► Born 6/17/28, Castor, La.; BS (math), 1950; BS (petro. eng.), 1955, La. State; MBA, SMU, 1965. Career path—engineering/technical, merchandising/marketing; tenure—33 years, CEO 3 years. Compensation: 1987 salary & bonus, \$1,450,000; ownership, 55,000 shares. ► Anything-but-stuffy good ol' boy who concentrates on keeping Arco No. 1 in its all-important Western retail markets. With a cushion of big Alaskan reserves, he runs very profitable company. In January, he snapped up small British oil company with North Sea holdings.

A Few Unknown Facts

- FACT: Alaskans should know that people in the lower 48 states get at least 1/8 of the gross monies derived from oil produced on their land.
- FACT: Alaskans get 1/8 of the net. This means Alaska gets whatever is left after all the expenses the oil company takes out.
- FACT: In most cases today, landowners in the lower 48 receive at least 3/16 to 1/4 gross.
- FACT: Alaskans only need to know the number of barrels of oil produced daily taken times the current price of oil to realize how much they should be getting.
- FACT: Every major oil producing state in the lower 48 has a state sales tax which applies to the oil industry. This revenue generates hundreds of millions yearly for those states. Some states charge sales tax for materials and labor. Only Alaska lets the oil companies get away with paying zero.
- FACT: Alaska has ^{no} severance tax? Alaska has ^{no} severance tax! All the rest of the lower 48 does, and it adds up to like 12% on every barrel of oil.
- FACT: Oil companies like ARCO sell or trade off refined products to foreign buyers, then say its America's security that depends on ANWR.
- FACT: The Japanese even own the ARCO building in California.
- FACT: Standard Oil belongs to British Petroleum.
- FACT: () pays millions more for leases in the lower 48 that has a fraction of Alaska's oil reserves.
- FACT: Its to the oil companies best interest to hire outside of Alaska people. They believe they work for less and are better educated in the oil business.
- FACT: Its time to wake up Alaska.

ELF: Let there be a Senate vote

The Exxon Valdez oil spill threatens to obscure one of the most important money issues facing the state legislature. With so much public attention directed toward the environmental catastrophe, state senators may find it easier to hide from the multimillion-dollar oil industry tax giveaway known as ELF, the Economic Limit Factor.

Proposals to kill this \$150 million a year tax break are stalled in Anchorage Sen. Drue Pearce's Oil and Gas Committee. Legislative wags are wondering if her committee will become the gas chamber for ELF reform.

The ELF issue is a chance to see if Alaskans have learned their lesson from the oil spill. That lesson is simple: We simply cannot take the oil industry at its word. Alaskans have to look through the veil of self-interested industry rhetoric and decide what's best for us and our state.

Every day the ELF remains unchanged Alaska suffers another fiscal hemorrhage. Every day, nearly half a million dollars heads south with the tankers full of Alaska's oil. Every day, the money lost to the ELF is gone for good.

Alaska is not so prosperous that it can afford to sign away \$150 million a year. But the oil industry can afford to pay more for the privilege of extracting our oil. Oil firms are reporting healthy profits, even though the days of \$30-a-barrel oil are gone. The trans-Alaska pipeline is a guaranteed money-maker even if its owners don't make a dime selling and refining the oil.

Alaskans have to remember that almost all the oil produced in Alaska belonged to us in the first place. We're entitled to a fair share of the money from our oil.

Most Republicans in Sen. Tim Kelly's majority organization probably hope ELF reform never comes to a vote. If it does, they will have to choose between a discredited oil industry and the folks back home. These senators would rather see ELF reform die a quiet death, buried somewhere in committee.

Alaskans are entitled to have the ELF come before the entire Senate. They're entitled to know where their senators stand.

Do they stand with oil company stockholders in Dallas and Houston, London and New York? Or do they stand with Alaskans?

Do they stand with special interests who hand out large campaign contributions? Or do they stand with the Alaskans they're supposed to represent?

Do they buy the industry's "trust-us," trickle-down promises of more jobs and more oil drilling? Do they honestly believe today's ELF brings Alaskans benefits worth \$150 million a year?

Will our senators tell us what will happen if they don't insist on our fair share of oil money? Will they replace the money from permanent fund earnings? Will they stick ordinary Alaskans with higher tax bills? Will they slash school funding, local government aid, the longevity bonus, environmental protection, public safety, aid to the poor, student loans?

Sen. Pearce knows she's under pressure on the ELF. She has promised to hold hearings, but she hasn't promised to move a bill. There are only 29 days left in the session. Every day Sen. Pearce and her colleagues delay costs the state another \$400,000. Alaskans are waiting to see where our senators stand.

erty in the first five years after the start of commercial oil production and equals 15 percent of the gross value at the point of production of taxable oil produced thereafter from the lease or property.

(c) The cents-per-barrel amount equals \$0.60 per barrel of taxable old crude oil produced from the lease or property, and \$0.80 per barrel for all other taxable oil produced from the lease or property, both as adjusted by AS 43.55.012.

(d) *[Repealed, § 18 ch 116 SLA 1981.]* (§ 1 ch 136 SLA 1977; am §§ 12, 18 ch 116 SLA 1981)

Cross references. — For oil and gas leasing provisions, see AS 38.05.180.

Effect of amendments. — The 1981 amendment added "on or before June 30, 1981" following "taxable oil produced" and added the language beginning "and 15

percent of the gross value" and ending "from the lease or property" in subsection (b). The amendment also repealed subsection (d) which provided for certain payments to the Alaska Native Fund in certain circumstances.

Sec. 43.55.012. Adjustment in tax rates. (a) *[Repealed, § 18 ch 116 SLA 1981.]*

(b) The cents-per-barrel amount set out in AS 43.55.011(c) as adjusted by (a) of this section applies to oil of 27 degrees API gravity. For each degree of API gravity less than 27 degrees the cents-per-barrel amount shall be reduced by \$.005 and for each degree of API gravity greater than 27 degrees the cents-per-barrel amount shall be increased by \$.005 except that oil above 40 degrees API gravity shall be taxed as 40 degree oil. In applying the gravity adjustment under this subsection, fractional degrees of API gravity shall be disregarded. (§ 1 ch 136 SLA 1977; am § 18 ch 116 SLA 1981)

Effect of amendments. — The 1981 amendment repealed the former subsection (a) which provided for a review of the prices received for crude oil or gas pro-

duced in Alaska and a report by the department to the governor concerning proposed changes.

Sec. 43.55.013. Economic limit factor. (a) *[Repealed, § 18 ch 116 SLA 1981.]*

(b)(1) The economic limit factor for oil production of a lease or property shall be computed according to the following formula:

$$(1 - [PEL/TP]) \exp [(460 \times WD)/PEL]$$

where: PEL = the monthly production rate at the economic limit;
TP = the total production during the month for which the tax is to be paid;

WD = the total number of well days in the month for which the tax is to be paid; and

Where "exp" indicates that the expression following it is an exponent.

(2) If, for any month during the first 10 years following the commencement of commercial oil production of a lease or property, the

economic limit factor for oil production of that lease or property computed under (1) of this subsection is 0.7 or less, then that factor shall be applied.

(3) If, for any month during the first 10 years following the commencement of commercial oil production of a lease or property, the economic limit factor for oil production of that lease or property computed under (1) of this subsection is greater than 0.7, then the economic limit factor is one.

(4) The economic limit factor for oil production of a lease or property after the first 10 years following the commencement of commercial oil production shall be computed and applied under (1) of this subsection.

(c) The economic limit factor for gas production of a lease or property equals one minus the ratio of the monthly production rate at the economic limit to the production during the month for which the tax is to be paid.

(d) The monthly production rate at the economic limit for a lease or property is presumed to be 300 barrels times the number of well days for the lease or property during the month for which the tax is to be paid. The taxpayer may rebut this presumption at a formal hearing under AS 43.05.240 by providing clear and convincing evidence of a different monthly production rate at the economic limit for the lease or property. The hearing shall be held before February 15 of the year or within six months after commencement of oil production for a lease or property. The monthly production rate at the economic limit for the lease or property based upon the clear and convincing evidence of the taxpayer shall be calculated by dividing the value determined under (f) of this section into the average monthly direct operating cost determined under (e) of this section and shall be used for purposes of this section for all oil production during that calendar year from the lease or property.

(e) The average monthly direct operating cost for oil production operations of the lease or property shall be determined based on a period of not less than four consecutive months. The direct operating costs include only royalty, production supplies, purchased fuel, routine maintenance, and wages and benefits of employees working on the production operations. Additional direct operating costs not listed in this section may be included only after their inclusion in a regulation adopted by the department. The direct operating costs do not include capital expenditures, tangible or intangible drilling expenses, costs of well workovers, costs for replacement or repairs (other than routine maintenance), depreciation or amortization, taxes, insurance, overhead, money paid or set aside (or booked as being paid or set aside) to cover the cost of terminating the oil production operations of the lease or property, or any other cost not directly related to the oil production operations of the lease or property.

(f) For the purpose of calculating the economic limit, the value at the point of production of oil produced from the lease or property shall be determined on the basis of the acquisition cost C.I.F. at West Coast refineries for imported oil of like quality, minus the reasonable cost of transportation between the point of production of the oil from the lease or property and those West Coast refineries.

(g) The monthly production at the economic limit for a lease or property is presumed to be 3,000 Mcf times the number of well days for the lease or property during that month for which the tax is to be paid. The taxpayer may rebut this presumption at a formal hearing under AS 43.05.240 by providing clear and convincing evidence of a different monthly production rate at the economic limit for the lease or property. The hearing shall be held before February 15 of the year or within six months after commencement of gas production for a lease or property. The monthly production rate at the economic limit for the lease or property based upon the clear and convincing evidence of the taxpayer shall be calculated by dividing the value determined under (i) of this section into the average monthly direct operating cost determined under (h) of this section.

(h) The average monthly direct operating cost for gas production operations of the lease or property shall be determined based on a period of not less than four consecutive months. The direct operating costs include only royalty actually and currently paid, production supplies, purchased fuel, routine maintenance, and wages and benefits of employees working on the production operations. Additional direct operating costs not listed in this section may be included only after their inclusion in a regulation adopted by the department. The direct operating costs do not include capital expenditures, tangible or intangible drilling expenses, costs of well workovers, costs for replacement or repairs (other than routine maintenance), depreciation or amortization, taxes, insurance, overhead, money paid or set aside (or booked as being paid or set aside) to cover the cost of terminating the gas production operations of the lease or property, or any other cost not directly related to the gas production operations of the lease or property.

(i) For the purpose of calculating the economic limit, the value at the point of production of gas produced from the lease or property shall be determined on the basis of the volume weighted average price paid for gas of like quality and pressure in the same field.

(j) The department may aggregate two or more leases or properties (or portions of them), for purposes of determining economic limit factors under this section and applying them to AS 43.55.011 or AS 43.55.016, when economically interdependent oil or gas production operations are not confined to a single lease or property. The department may also segregate a lease or property into two or more parts, for purposes of determining economic limit factors under this section and

apply
econo
condu
or pr
(k)
limit
year.
1, the
limit f
mence
ductio

Effect
amendm
repealed
"The eco
producti
minus th
rate at t
tion duri

Sec.
1977.]

Sec.
produce
in the s
from ta
amount
calculat
the econ
property
(c) of th
section s
section.

(b) Th
value at
lease or

(c) Th
of taxabl
43.55.01:

Sec. 4
this chap
place of a
and neith

(1) pro
(2) oil

H B

124

DATE: 4/27/90

FURTHER: Finance

DATE TURNED INTO OFFICE: 5-3-90

Resources Committee considered CSHB 124 (Rules) am

Sale of merchandise by Dept of Fish/Game, sport fishing, trapping, and hunting licenses, big game tags, personal use salmon dip net fishing permits, fur dealer, taxidermy, aquatic farming, and game farming licenses, and duplicate licenses and tags; definition of resident; use of revenue from sport fishing, trapping, and hunting licenses and tags; involuntary transfer of entry permits; efd.

and recommended:

- replace with 5 CS CSHB 124 (Res)
- or adopt CS
- attached amendment(s)
- Resources letter of intent adopted

- same title
- new title
- technical title change (HB only)

- do pass
- do not pass
- no recommendation
- individual recommendations
- further referral to _____

ATTACHES NEW FISCAL NOTE(S):

- fiscal note(s) P+G Dept/Date: _____
- zero fiscal note(s) _____
- appropriation-no fiscal note

APPROVES PREVIOUS:

- fiscal note(s) _____ Dept/Date: _____
- zero fiscal note(s) _____
- Governor's bill w/fiscal note

SIGNING DO PASS:

[Signature]

OTHER RECOMMENDATIONS:

[Signature] NO REC

[Signature] NO REC

[Signature] NO REC

[Signature] NO REC

[Signature]
Chair: Signature and Recommendation

FISCAL NOTE

REQUEST:

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

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

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING						
CAPITAL						
REVENUE	343.1	2236.2	2240.0	2240.0	2240.0	2240.0

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER Fish & Game	343.1	2236.2	2240.0	2240.0	2240.0	2240.0
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

No FY 90 impact.

Prepared by: Beverly Reaume
 Division: Administration

Phone: 465-4120
 Date: 5/2/90

Approved by Commissioner: *William W. Welby*
 Agency: _____

Date: 5/2/90

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

CSHB124
 * ASSUMPTIONS FOR LICENSE FEE FISCAL NOTE

5/2/90

RESIDENT	1989 ACTUALS %JAN-JUN		ANNUAL VALUE AT CURRENT FEE	ANNUAL VALUE AT INCREASED FEE	FY91 INCREASE (PARTIAL YEAR)	FY92 INCREASE
HUNT	23189	42.1%	278268	278268	0	0
HUNT/TRAP	1516	62.4%	33352	33352	0	0
TRAP	1032	52.6%	10320	10320	0	0
SF/HUNT/TRAP	6363	52.6%	203616	203616	0	0
SF/HUNT	43548	42.0%	958056	958056	0	0
FISH	115332	41.7%	1153320	1153320	0	0
FISH FARM	1	0	200	200	0	0
FUR DEALER	45	48.6%	4500	4500	0	0
TAXIDERMY	51	75.0%	7650	7650	0	0
GAME BIRD FARM	4	100.0%	80	80	0	0
DIP NET FISHING				155000	65100	155000
NONRESIDENT						
HUNT	8543	15.1%	512580	696155	27742	183575
HUNT/TRAP	35	15.1%	7000	10500	529	3500
FUR DEALER	1	0.0%	400	500	0	100
TAXIDERMY	4	66.7%	1600	2000	267	400
ALIEN HUNT	-	15.1%	-	90000	13590	90000
ALIEN TAGS	-	15.1%	-	162100	24477	162100
TAGS	-	14.4%	2936580	3490900	79822	554320
FISH	23338	23.7%	840168	1166900	77337	326732
FISH 14 DAY	63760	7.8%	1275200	1912800	49458	637600
FISH 3 DAY	64143	9.2%	641430	721609	7605	80179
FISH 1 DAY	0	9.5%	0	160358	15209	160358
TOTALS			8864320	11218183	361135	2353863
					(18056)	(117693)
					139105	944295
					203973	1291875

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

Original sponsor(s): Rules/Governor

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 124 (Resources)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the sale of merchandise by the
7 Department of Fish and Game, to sport fishing, trap-
8 ping, and hunting licenses, to big game tags, to
9 personal use salmon dip net fishing permits, to fur
10 dealer, taxidermy, aquatic farming, and game farming
11 licenses, and to duplicate licenses and tags; relat-
12 ing to the definition of resident in fish and game
13 laws; relating to use of revenue from sport fishing,
14 trapping, and hunting licenses and tags; relating to
15 the involuntary transfer of entry permits; and
16 providing for an effective date."

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

18 * Section 1. AS 16.05.050 is amended by adding a new paragraph to read:

19 (18) to authorize the production and sale of merchandise
20 bearing designs, labels, or words associating the merchandise with the
21 department; the merchandise may include posters, buttons, clothing,
22 calendars, and glassware.

23 * Sec. 2. AS 16.05.053 is amended by adding a new subsection to read:

24 (b) The commissioner of administration shall separately account
25 for money collected under AS 16.05.050(18) that the department depos-
26 its in the general fund. The annual estimated balance in the account
27 may be appropriated by the legislature to the fish and game fund.

28 * Sec. 3. AS 16.05.130 is amended by adding a new subsection to read:

29 (d) Revenue from the sale of general hunting, trapping, and

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

7 * Sec. 4. AS 16.05.340(a)(7) is amended to read:

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

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

11 (B) For three-day license15

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

13 * Sec. 5. AS 16.05.340(a)(8) is amended to read:

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

15 * Sec. 6. AS 16.05.340(a)(9) is amended to read:

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

17 * Sec. 7. AS 16.05.340(a)(10) is amended to read:

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

20 A nonresident may not take a big game animal without previously pur-
21 chasing a numbered, nontransferable, appropriate tag, issued under
22 (15) of this subsection. The tag must be affixed to the animal imme-
23 diately upon capture and must remain affixed until the animal is
24 prepared for storage, consumed, or exported. A tag issued but not
25 used for an animal may be used to satisfy the tagging requirement for
26 an animal of any other species for which the tag fee is of equal or
27 less value.

28 * Sec. 8. AS 16.05.340(a)(11) is amended to read:

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

1 * Sec. 9. AS 16.05.340(a)(12) is amended to read:

2 (12) Fur dealers:

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

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

5 * Sec. 10. AS 16.05.340(a)(13) is amended to read:

6 (13) Taxidermists:

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

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

9 * Sec. 11. AS 16.05.340(a)(14) is amended to read:

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

11 license.....400 [200]

12 * Sec. 12. AS 16.05.340(a)(15) is amended to read:

13 (15) Nonresident big game tags:

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

15 (B) [REPEALED.]

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

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

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

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

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

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

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

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

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

25 (L) WALRUS, EACH500]

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

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

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

29 * Sec. 13. AS 16.05.340(a)(18) is amended to read:

1 (18) Game farming:

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

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

5 * Sec. 14. AS 16.05.340(a) is amended by adding new paragraphs to read:

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

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

8 A nonresident alien may not take a big game animal without previously
9 purchasing a numbered, nontransferable, appropriate tag, issued under
10 (21) of this subsection. The tag must be affixed to the animal immed-
11 iately upon capture and must remain affixed until the animal is pre-
12 pared for storage, consumed, or exported. A tag issued but not used
13 for an animal may be used to satisfy the tagging requirement for an
14 animal of any other species for which the tag fee is of equal or less
15 value.

16 (21) Nonresident alien big game tags:

17 (A) Bear, black, each.....\$300

18 (B) Bear, brown or grizzly, each.....650

19 (C) Bison, each.....650

20 (D) Caribou, each.....425

21 (E) Deer, each.....200

22 (F) Elk, each.....400

23 (G) Goat, each.....400

24 (H) Moose, each.....500

25 (I) Musk oxen, each.....1,500

26 (J) Sheep, each.....550

27 (K) Wolf, each.....250

28 (L) Wolverine, each.....250

29 (22) Chitina personal use salmon dip net fishing permit

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

(c) The commissioner may issue a duplicate license or a duplicate tag as a replacement for a license or tag issued under (a) of this section. A fee of \$5 [\$2] shall be charged for each duplicate license or tag; however, a fee of \$2 shall be charged for each duplicate of reduced fee license issued to an indigent or low income person under (a)(6) of this section. The [AND THE] duplicate license or tag may [SHALL] not be issued unless the commissioner or a delegate is satisfied that the original has been lost or destroyed. [THIS SUBSECTION DOES NOT APPLY TO A 25-CENT LICENSE ISSUED UNDER (a)(6) OF THIS SECTION.]

* Sec. 16. AS 16.05.940(25) is amended to read:

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

* Sec. 17. AS 16.43.170(a) is amended to read:

(a) Except as provided in AS 16.10.333 - 16.10.338 and in AS 44.81.230 - 44.81.250, entry permits and interim-use permits are

1 transferable only through the commission as provided in this section
2 and AS 16.43.180 and under regulations adopted by the commission. An
3 involuntary transfer of an entry permit in a manner inconsistent with
4 this chapter and the regulations of the commission is void.

5 * Sec. 18. Section 17 of this Act takes effect immediately under
6 AS 01.10.070(c).

7 * Sec. 19. Except for sec. 17 of this Act, this Act takes effect
8 January 1, 1991.

STATE OF ALASKA THE LEGISLATURE

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

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

May 3, 1990

SUBJECT: Senate CS CSHB 124 (Resources)

TO: Senator Bettye Fahrenkamp, Chair
Senate Resources Committee

FROM: George Utermohle *GU*
Legislative Counsel

The Senate Resources Committee has adopted and passed out a committee substitute for CSHB 124 (Resources).

One of the amendments made by the committee was to change the fee for a replacement license for the reduced fee resident hunting, trapping, and sport fishing license that is issued to indigent and low income persons. The evident purpose of the committee's amendment was to adjust the fee for the replacement license to conform to changes made to the reduced fee license for indigent and low income persons by SB 30, which is currently before the Governor. The committee's amendment made a specific reference to the \$5 license fee that would be charged for the reduced fee license if SB 30 is signed into law, however until SB 30 does become law HB 124 should not contain a reference to SB 30 because there is a chance that the governor may veto SB 30.

In order to keep the \$2 replacement fee for the reduced fee license but avoid a specific reference to the \$5 license which may not exist if SB 30 is vetoed, I have replaced the reference to the \$5 license with the phrase "reduced fee license issued to an indigent or low income person". This language will allow the replacement fee to take effect without relying on the passage of SB 30. Even if SB 30 is not signed into law this language would result in the replacement fee for the reduced fee license being \$2 and not the \$5 that would otherwise be imposed under AS 16.05.340(c) as contained in HB 124.

Senator Bettye Fahrenkamp

Page 2

May 3, 1990

Also, I have repealed the last sentence of AS 16.05.340(c) (Sec. 15) in order to conform to the change in the replacement fee for the reduced fee license made by the committee's amendment. (See page 5, lines 10 - 12) Without this change AS 16.05.340(c) (Sec. 15) would contain two contradictory provisions: (1) that the replacement fee for the reduced fee license is \$2 and (2) that this subsection does not apply to the reduced fee license. It is the evident intent of the committee to establish a replacement fee for the reduced fee license.

GU:gc
G14/061

Enclosure

4

"A"

A

PROPOSAL TO AMEND CS HB 124(Rls)am
To leave current resident sport fishing and hunting license
fees in place

Explanation of Amendments:

Delete Sections 4, 5, 6, 7, 8, 9, (Renumber other sections
accordingly, and correct reference to preceding Section.)

This proposal would delete sections 4 through 9 of CS HB
124(Rls am), all of which propose increases in sport fishing
and hunting license fees for residents. Current sport
fishing and hunting license fees for residents would remain in
effect.

Impact on Revenue:

Increase in revenue:	FY 91	FY 92	FY 93	→
If this proposed amendment is adopted	343.1	2236.2	2236.0	→
Current version CSHB 124 (Rls)am	1081.1	3914.7	3915.0	→

Handwritten initials

SENATE AMENDMENT

By Eliason

To: _____ SENATE BILL No. _____

To: Amend _____ HOUSE BILL No. CSHB 124 (R1s)am

PAGE: 2 LINE: 7 - 29

Delete Sections 4, 5, 6, 7, 8, 9

Page: 3 Line: 1

Delete line 1 and renumber all subsequent Sections accordingly

Page: 6 Line: 26, 28

Delete "Section 23" and insert "Section 17" in its place

AMENDMENT

accepted

OFFERED BY SENATOR FISCHER

TO: CSHB 124 (RULES) AM

PAGE 6, LINE 1:

DELETE "and the"

INSERT "however, a fee of \$2 shall be charged for each duplicate of a \$5 license issued under (a)(6) of this section.

The [and the]"



File HB 124
- Res -

ALASKA OUTDOOR COUNCIL, INC.

3780 MCGINNIS DR. JUNEAU, AK 99801
(907) 789-3450

POSITION STATEMENT ADF&G LICENSE INCREASES

HB 124

March 21, 1989

The Alaska Outdoor Council has adopted a final position on HB 124 dealing with proposed Alaska Department of Fish and Game license increases.

This issue has been before the legislature for the past two years. During that time there has been considerable communications between Alaskan sportsmen and outdoor user organizations and the Alaska Department of Fish and Game. Numerous concerns expressed by the Council were addressed by the Department before the beginning of the legislative session.

The Alaska Outdoor Council is appreciative of the Department's efforts to improve relations with the Outdoor users. We are, however, still concerned about alternative funding sources for the Department, long range planning, neglected active management programs in the Interior, prioritizing expenditures and the identification of expenditures to non-consumptive user programs. We fully intend to continue working with the Department on these issues.

The membership of the Alaska Outdoor Council recognizes that the Alaska Department of Fish and Game needs additional funds for the Divisions of Wildlife Conservation and Sport Fish. We are concerned that these increases, however, benefit the users carrying a majority of the fish and wildlife management financial burden in the State.

The Alaska Outdoor Council can support HB 124 if three basic modifications are made:

1. Maintain the non-resident alien fees at the same level as the non-resident fees. The Council is concerned that the proposed non-resident alien fees will price Alaska out of the market which will result in ~~less fees~~ from non-residents rather than larger total fees.

2. Amend 16.05.340 (a)(6) to delete:

However, the fee is 25 cents for an applicant who is the head of a family or a dependent member of that family, or who is solely self supporting, upon proof

presented by the applicant that the applicant

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

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

3. Amend 16.05.340 to add new section (f):

(1) Alaska Fish and Game Funds and Federal matching funds from the Pittman-Robertson, Dingell-Johnson/Wallop-Breaux programs cannot be used to finance subsistence uses of fish and wildlife nor for the management of fish and wildlife for subsistence purposes.

(2) If a State agency knowingly violates the provisions in (1), the fish and game license structure in AS 16.05.340 will revert to that which existed in 1988.

STATE OF ALASKA

DEPARTMENT OF FISH AND GAME

OFFICE OF THE COMMISSIONER

file HB 124 resources files
STEVE COWPER, GOVERNOR

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

March 1, 1989

Dear Fellow Alaskan:

For the past year, the Department of Fish and Game has sought to provide you information and solicit your comments and ideas regarding the department's need to obtain additional funding sources. You will recall earlier letters discussing one attempt to increase the department's funding, increasing the fees charged for licenses to fish and hunt. This letter is our latest effort to do all we can to keep you up-to-date on this proposal.

Representatives of ADF&G have met on several occasions with interested outdoor organizations and individuals in an attempt to draft legislation that is fair and will help the department meet its funding needs. As a result of that work, Governor Cowper introduced a bill (HB 124) which will increase funding to the department, specifically to the Divisions of Wildlife Conservation and Sport Fish. This bill is the result of many hours of consultation with fishing and hunting groups around the state and with outdoor groups whose primary interest lies in areas other than the consumptive use of fish and game resources. When you have an opportunity to read HB 124, you will see that many concerns which had been expressed in the past regarding a license increase proposal have been addressed. Most of these changes were as a result of direct discussions with members of various outdoor organizations and conservation groups. A copy of HB 124 is enclosed for your reference.

The need for additional funding to the Division of Wildlife Conservation (formerly the Division of Game) continues to be of major concern. Essential programs, ranging from collecting and analyzing biological information necessary to maintain big game populations to providing services necessary for the public to fully enjoy and utilize wildlife, have been sharply curtailed by severe budget reductions which occurred in FY 86.

Although federal funding available to the Division of Sport Fish has increased, it does not approach the amount needed to adequately manage and protect the resources under present harvest and public participation levels. There has been a steady increase in recreational fishing pressure over the years, despite recent decreases in the state's population. In addition, there are projects contained in each division's budget which, for the most part, can only be operated using funding provided through

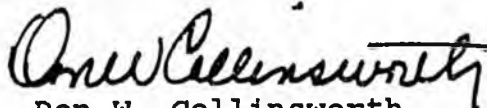
March 1, 1989

the sale of hunting and fishing licenses. It is conceivable, although it is not yet a major threat, that the point might be reached at which the Division of Sport Fish could not provide adequate matching funds to obtain federal dollars. We are not yet at that point and it could be we would never find ourselves in that situation; nevertheless, it is a possibility.

In addition to the fee increases proposed in HB 124, the department continues to explore other funding options. We have gathered a great deal of information about fish and wildlife trust funds, special permit auctions, and other special opportunities which would allow nonconsumptive users of our fish and wildlife resources to participate more in funding of important management and conservation programs. Many organizations which represent nonconsumptive users have long expressed their sincere interest in contributing to the department's programs. We will continue to try and develop mechanisms whereby nonconsumptive users can provide additional support to departmental programs.

In summary, ADF&G finds itself in the same situation as other similar agencies across the United States: increasing demands from the public in the face of declining financial resources. The license fee increases we are proposing will be the first in Alaska in over a decade. It has been with reluctance that we have proposed these increases, but it is our firm belief that we must do so in order to continue to provide all Alaskans the opportunity to enjoy our abundant natural resources. I earnestly solicit your support for HB 124 and, as always, my staff and I stand ready to answer your questions about this issue or any other relating to this department.

Sincerely,



Don W. Collinsworth
Commissioner

Enclosure

1 IN THE HOUSE BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 124

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

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

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

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

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

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

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

14 (2) Resident

15 (A) small game hunting license.....15 [12]

16 (B) hunting license for both big and small game..25

17 "Big game" means those species listed in (a)(15) of this section.

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

19 (3) Resident hunting and trapping license.....35 [22]

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

21 (5) Resident hunting and sport fishing license...40 [22]

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

23 (6) Resident hunting, trapping, and sport

24 fishing license.....50 [32]

25 However, the fee is 25 cents for an applicant who is the head of a
26 family or a dependent member of that family, or who is solely self-
27 supporting, upon proof presented by the applicant that the applicant

28 (A) is obtaining or has obtained assistance during the
29 preceding six months under any state or federal welfare program

1 to aid the indigent, or
2 (B) has an annual family gross income of less than
3 \$5,600 for the year preceding application.

4 * Sec. 6. AS 16.05.340(a)(7) is amended to read:

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

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

8 (B) For three-day license15 [10]

9 * Sec. 7. AS 16.05.340(a)(8) is amended to read:

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

11 * Sec. 8. AS 16.05.340(a)(9) is amended to read:

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

13 * Sec. 9. AS 16.05.340(a)(10) is amended to read:

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

16 A nonresident may not take a big game animal without previously pur-
17 chasing a numbered, nontransferable, appropriate tag, issued under
18 (15) of this subsection. The tag must be affixed to the animal imme-
19 diately upon capture and must remain affixed until the animal is
20 prepared for storage, consumed, or exported. A tag issued but not
21 used for an animal may be used to satisfy the tagging requirement for
22 an animal of any other species for which the tag fee is of equal or
23 less value.

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

25 (15) Nonresident big game tags:

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

27 (B) (Repealed, sec. 1, ch. 268, SLA 1976.)

28 (C) Bear, brown or grizzly, each.....425 [350]

29 (D) Bear, polar, each.....2,500 [500]

1	(E) Bison, each.....	<u>450</u>	[350]
2	(F) Caribou, each.....	<u>325</u>	[300]
3	(G) Deer, each.....	<u>150</u>	[135]
4	(H) Elk, each.....	<u>300</u>	[250]
5	(I) Goat, each.....	<u>300</u>	[250]
6	(J) Moose, each.....	<u>400</u>	[300]
7	(K) Sheep, each.....	<u>425</u>	[400]
8	(L) Walrus, each.....	<u>1,500</u>	[500]
9	(M) Wolf, each.....	<u>175</u>	[150]
10	(N) Wolverine, each.....	<u>175</u>	[150]
11	(O) Musk oxen, each.....	1,100	

* Sec. 11. AS 16.05.340(a) is amended by adding new paragraphs to read:

- | | | |
|----|--|-----|
| 13 | (19) Nonresident small game hunting license..... | 20 |
| 14 | (20) Nonresident alien hunting license..... | 300 |

15 A nonresident alien may not take a big game animal without previously
 16 purchasing a numbered, nontransferable, appropriate tag, issued under
 17 (21) of this subsection. The tag must be affixed to the animal immedi-
 18 ately upon capture and must remain affixed until the animal is pre-
 19 pared for storage, consumed, or exported. A tag issued but not used
 20 for an animal may be used to satisfy the tagging requirement for an
 21 animal of any other species for which the tag fee is of equal or less
 22 value.

- | | | |
|----|---------------------------------------|-------|
| 23 | (21) Nonresident alien big game tags: | |
| 24 | (A) Bear, black, each..... | 300 |
| 25 | (B) Bear, brown or grizzly, each..... | 600 |
| 26 | (C) Bear, polar..... | 3,000 |
| 27 | (D) Bison, each..... | 650 |
| 28 | (E) Caribou, each..... | 425 |
| 29 | (F) Deer, each..... | 200 |

1	(G) Elk, each.....	400
2	(H) Goat, each.....	400
3	(I) Moose, each.....	500
4	(J) Musk oxen, each.....	1,500
5	(K) Sheep, each.....	550
6	(L) Walrus.....	2,000
7	(M) Wolf, each.....	250
8	(N) Wolverine, each.....	250

9 * Sec. 12. This Act takes effect January 1, 1990.

STATE OF ALASKA

DEPARTMENT OF FISH AND GAME

DIVISION OF BOARDS

file HB124
STEVE COWPER, GOVERNOR

P.O. BOX 3-2000
JUNEAU, ALASKA 99802-2000
PHONE: (907) 465-4110

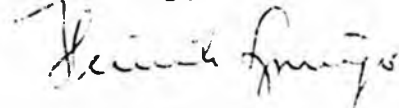
March 7, 1989

The Honorable Tim Kelly
President
Alaska State Senate
Pouch V
Juneau, AK 99811

Dear Mr. President:

The Board of Game discussed HB 124 at its current meeting in Anchorage. The Board unanimously supports this legislation with the intent that funds from the sale of licenses be used to increase current Department of Fish and Game funding levels.

Sincerely,



Heinrich Springer
Chairman
Board of Game

cc: All Legislators

BILL: HB 124

NAME: SCS CSNB 124(RES) AM S

TITLE: "An Act relating to the sale of merchandise by the Department of Fish and Game, to sport fishing, trapping, and hunting licenses, to big game tags, to personal use salmon dip net fishing permits, to fur dealer, taxidermy, aquatic farming, and game farming licenses, and to duplicate licenses and tags; relating to the definition of resident in fish and game laws; relating to use of revenue from sport fishing, trapping, and hunting licenses and tags; relating to < REFER TO BILL TEXT (PF5) FOR COMPLETE TITLE >

PRIME SPONSOR: RULES BY REQUEST OF THE GOVERNOR

FUNDING : \$000 GENERAL(FNOTE) \$1,013,000 OTHER(FNOTE)

CURRENT STATUS: (H) CONCURRD (S) AM STATUS DATE: 05/08/90

Selection=> PF1 PF2 PF3 PF4 PF5 PF6 PF7 PF8 PF9 PF10 PF11 PF12
HELP SUBJ EXIT MENU TEXT PRINT BWD FWD FIRST LAST QUIT
BASIS Journal Text

05/03/90 SENATE JOURNAL PAGE 3855

HB 124

The Resources Committee considered CS FOR HOUSE BILL NO. 124 (Rules) an (An Act relating to The sale of merchandise by The Department of Fish and Game, to sport fishing, trapping, and hunting licenses, to big game tags, to personal use salmon dip net fishing permits, to fur dealer, taxidermy, aquatic farming, and game farming licenses, and to duplicate licenses and tags; relating to the definition of resident in fish and game laws; relating to use of revenue from sport fishing, trapping, and hunting licenses and tags; relating to the involuntary transfer of entry permits; and providing for an effective date) and recommended it be replaced with

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

Senator Fahrenkamp, Chair, and Senator Eliason signed "do pass." Senators Kerttula, Frank, Zharoff, Sturgulewski and

Selection=> PF1 PF2 PF3 PF4 PF5 PF6 PF7 PF8 PF9 PF10 PF11 PF12
HELP EXIT MENU PRINT BWD FWD FIRST LAST QUIT
BASIS Journal Text

05/03/90 SENATE JOURNAL PAGE 3855

Halford signed "no recommendation." The committee further attached the following Letter of Intent:

05/03/90 SENATE JOURNAL PAGE 3856

3856 May 3, 1990

HB 124 cont'd

Letter of Intent

For

Senate CS for CS for House Bill No. 124 (Resources)

It is the intent of the legislature to amend AS

Selection=> PF1 PF2 PF3 PF4 PF5 PF6 PF7 PF8 PF9 PF10 PF11 PF12
HELP EXIT MENU PRINT BWD FWD FIRST LAST QUIT

go0379hF-
Utermohle
4/28/90

Original sponsor(s): Rules/Governor

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 124 (Resources)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the sale of merchandise by the
7 Department of Fish and Game, to sport fishing, trap-
8 ping, and hunting licenses, to big game tags, to
9 personal use salmon dip net fishing permits, to fur
10 dealer, taxidermy, aquatic farming, and game farming
11 licenses, and to duplicate licenses and tags; relat-
12 ing to the definition of resident in fish and game
13 laws; relating to use of revenue from sport fishing,
14 trapping, and hunting licenses and tags; relating to
15 the involuntary transfer of entry permits; and pro-
16 viding for an effective date."

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

18 * Section 1. AS 16.05.050 is amended by adding a new paragraph to read:

19 (18) to authorize the production and sale of merchandise
20 bearing designs, labels, or words associating the merchandise with the
21 department; the merchandise may include posters, buttons, clothing,
22 calendars, and glassware.

23 * Sec. 2. AS 16.05.053 is amended by adding a new subsection to read:

24 (b) The commissioner of administration shall separately account
25 for money collected under AS 16.05.050(18) that the department depos-
26 its in the general fund. The annual estimated balance in the account
27 may be appropriated by the legislature to the fish and game fund.

28 * Sec. 3. AS 16.05.130 is amended by adding new subsections to read:

29 (d) Revenue from the sale of hunting, trapping, and fishing

1 licenses and tags together with the federal matching funds from the
 2 Pittman - Robertson and Dingell - Johnson/Wallop - Breaux programs
 3 shall be allocated by the department to programs that directly benefit
 4 purchasers of hunting, trapping, and fishing licenses.

5 (e) The department shall prepare an annual report by project of
 6 expenditures from the fish and game fund. Copies of the report shall
 7 be provided to the legislature and the public.

8 * Sec. 4. AS 16.05.340(a)(1) is amended to read:

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

10 * Sec. 5. AS 16.05.340(a)(2) is amended to read:

11 (2) Resident

12 (A) small game hunting license.....15 [12]

13 (B) hunting license for both big and small game....25

14 "Big game" means those species listed in (a)(15) of this section.

15 * Sec. 6. AS 16.05.340(a)(3) is amended to read:

16 (3) Resident hunting and trapping license.....40 [22]

17 * Sec. 7. AS 16.05.340(a)(4) is amended to read:

18 (4) Resident trapping license.....15 [10]

19 * Sec. 8. AS 16.05.340(a)(5) is amended to read:

20 (5) Resident hunting and sport fishing license.....40 [22]

21 * Sec. 9. AS 16.05.340(a)(6) is amended to read:

22 (6) Resident hunting, trapping, and sport fishing license

23 55 [32]

24 However, the fee is 25 cents for an applicant who is the head of a
 25 family or a dependent member of that family, or who is solely self-
 26 supporting, upon proof presented by the applicant that the applicant

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

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

* Sec. 10. AS 16.05.340(a)(7) is amended to read:

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

- (A) For 14-day license.....\$30 [\$20]
- (B) For three-day license15
- (C) For one-day license.....10

* Sec. 11. AS 16.05.340(a)(8) is amended to read:

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

* Sec. 12. AS 16.05.340(a)(9) is amended to read:

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

* Sec. 13. AS 16.05.340(a)(10) is amended to read:

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

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

* Sec. 14. AS 16.05.340(a)(11) is amended to read:

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

* Sec. 15. AS 16.05.340(a)(12) is amended to read:

(12) Fur dealers:

- (A) Resident fur dealer biennial license.....150 [100]
- (B) Nonresident fur dealer biennial license..500 [400]

1 * Sec. 16. AS 16.05.340(a)(13) is amended to read:

2 (13) Taxidermists:

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

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

5 * Sec. 17. AS 16.05.340(a)(14) is amended to read:

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

7 license.....400 [200]

8 * Sec. 18. AS 16.05.340(a)(15) is amended to read:

9 (15) Nonresident big game tags:

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

11 (B) [REPEALED.

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

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

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

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

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

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

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

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

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

21 (L) WALRUS, EACH500]

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

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

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

25 * Sec. 19. AS 16.05.340(a)(18) is amended to read:

26 (18) Game farming:

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

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

* Sec. 20. AS 16.05.340(a) is amended by adding new paragraphs to read:

- (19) Nonresident small game hunting license.....20
- (20) Nonresident alien hunting license.....300

A nonresident alien may not take a big game animal without previously purchasing a numbered, nontransferable, appropriate tag, issued under (21) of this subsection. The tag must be affixed to the animal immediately upon capture and must remain affixed until the animal is prepared for storage, consumed, or exported. A tag issued but not used for an animal may be used to satisfy the tagging requirement for an animal of any other species for which the tag fee is of equal or less value.

(21) Nonresident alien big game tags:

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

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

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

(c) The commissioner may issue a duplicate license or a duplicate tag as a replacement for a license or tag issued under (a) of

1 this section. A fee of \$5 [\$2] shall be charged for each duplicate
2 license or tag and the duplicate license or tag may [SHALL] not be
3 issued unless the commissioner or a delegate is satisfied that the
4 original has been lost or destroyed. This subsection does not apply
5 to a 25-cent license issued under (a)(6) of this section.

6 * Sec. 22. AS 16.05.940(25) is amended to read:

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

20 * Sec. 23. AS 16.43.170(a) is amended to read:

21 (a) Except as provided in AS 16.10.333 - 16.10.338 and in
22 AS 44.81.230 - 44.81.250, entry permits and interim-use permits are
23 transferable only through the commission as provided in this section
24 and AS 16.43.180 and under regulations adopted by the commission. An
25 involuntary transfer of an entry permit in a manner inconsistent with
26 this chapter and the regulations of the commission is void.

27 * Sec. 24. Section 23 of this Act takes effect immediately under
28 AS 01.10.070(c).

29 * Sec. 25. Except for sec. 23 of this Act, this Act takes effect
SCS CSHB 124(Res)

1 January 1, 1991.

2

3

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: 4/24/90
Offered: 4/11/90
Referred: Rules

go0379hP

"B"

Original sponsor(s): Rules/Governor

1 IN THE HOUSE BY THE RULES COMMITTEE

2 CS FOR HOUSE BILL NO. 124 (Rules) am
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 SIXTEENTH LEGISLATURE - SECOND SESSION
5 A BILL

6 For an Act entitled: "An Act relating to the sale of merchandise by the
7 Department of Fish and Game, to sport fishing, trap-
8 ping, and hunting licenses, to big game tags, to
9 personal use salmon dip net fishing permits, to fur
10 dealer, taxidermy, aquatic farming, and game farming
11 licenses, and to duplicate licenses and tags; relat-
12 ing to the definition of resident in fish and game
13 laws; relating to use of revenue from sport fishing,
14 trapping, and hunting licenses and tags; relating to
15 the involuntary transfer of entry permits; and
16 providing for an effective date."

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

18 * Section 1. AS 16.05.050 is amended by adding a new paragraph to read:

19 (18) to authorize the production and sale of merchandise
20 bearing designs, labels, or words associating the merchandise with the
21 department; the merchandise may include posters, buttons, clothing,
22 calendars, and glassware.

23 * Sec. 2. AS 16.05.053 is amended by adding a new subsection to read:

24 (b) The commissioner of administration shall separately account
25 for money collected under AS 16.05.050(18) that the department depos-
26 its in the general fund. The annual estimated balance in the account
27 may be appropriated by the legislature to the fish and game fund.

28 * Sec. 3. AS 16.05.130 is amended by adding a new subsection to read:

29 (d) Revenue from the sale of general hunting, trapping, and

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

7 * Sec. 4. AS 16.05.340(a)(1) is amended to read:

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

9 * Sec. 5. AS 16.05.340(a)(2) is amended to read:

10 (2) Resident

11 (A) small game hunting license.....15 [12]

12 (B) hunting license for both big and small game....25

13 "Big game" means those species listed in (a)(15) of this section.

14 * Sec. 6. AS 16.05.340(a)(3) is amended to read:

15 (3) Resident hunting and trapping license.....40 [22]

16 * Sec. 7. AS 16.05.340(a)(4) is amended to read:

17 (4) Resident trapping license.....²⁰~~15~~ [10]

18 * Sec. 8. AS 16.05.340(a)(5) is amended to read:

19 (5) Resident hunting and sport fishing license.....³⁵~~40~~ [22]

20 * Sec. 9. AS 16.05.340(a)(6) is amended to read:

21 (6) Resident hunting, trapping, and sport fishing ^{license}

22⁵⁰~~55~~ [32]

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

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

29 (B) has an annual family gross income of less than

1 \$5,600 for the year preceding application.

2 * Sec. 10. AS 16.05.340(a)(7) is amended to read:

3 (7) Nonresident special sport fishing license -- valid for

4 the period inscribed on the license

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

6 (B) For three-day license15

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

8 * Sec. 11. AS 16.05.340(a)(8) is amended to read:

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

10 * Sec. 12. AS 16.05.340(a)(9) is amended to read:

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

12 * Sec. 13. AS 16.05.340(a)(10) is amended to read:

13 (10) Nonresident hunting and sport fishing

14 license.....135 [96]

15 A nonresident may not take a big game animal without previously pur-

16 chasing a numbered, nontransferable, appropriate tag, issued under

17 (15) of this subsection. The tag must be affixed to the animal imme-

18 diately upon capture and must remain affixed until the animal is

19 prepared for storage, consumed, or exported. A tag issued but not

20 used for an animal may be used to satisfy the tagging requirement for

21 an animal of any other species for which the tag fee is of equal or

22 less value.

23 * Sec. 14. AS 16.05.340(a)(11) is amended to read: 300

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

25 * Sec. 15. AS 16.05.340(a)(12) is amended to read:

26 (12) Fur dealers:

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

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

29 * Sec. 16. AS 16.05.340(a)(13) is amended to read:

1 (13) Taxidermists:

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

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

4 * Sec. 17. AS 16.05.340(a)(14) is amended to read:

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

6 license.....400 [200]

7 * Sec. 18. AS 16.05.340(a)(15) is amended to read:

8 (15) Nonresident big game tags:

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

10 (B) [REPEALED.]

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

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

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

14 (D) [(F)] Caribou, each.....~~325~~³⁵⁰ [300]

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

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

17 (G) [(I)] Goat, each.....~~300~~³²⁵ [250]

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

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

20 (L) WALRUS, EACH500

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

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

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

24 * Sec. 19. AS 16.05.340(a)(18) is amended to read:

25 (18) Game farming:

26 (A) Game mammal or game reptile farming biennial

27 license.....\$250 [200]

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

29 * Sec. 20. AS 16.05.340(a) is amended by adding new paragraphs to read:

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

5 * Sec. 22. AS 16.05.940(25) is amended to read:

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

19 * Sec. 23. AS 16.43.170(a) is amended to read:

20 (a) Except as provided in AS 16.10.333 - 16.10.338 and in
21 AS 44.81.230 - 44.81.250, entry permits and interim-use permits are
22 transferable only through the commission as provided in this section
23 and AS 16.43.180 and under regulations adopted by the commission. An
24 involuntary transfer of an entry permit in a manner inconsistent with
25 this chapter and the regulations of the commission is void.

26 * Sec. 24. Section 23 of this Act takes effect immediately under
27 AS 01.10.070(c).

28 * Sec. 25. Except for sec. 23 of this Act, this Act takes effect
29 January 1, 1991.

A
//

Original sponsor(s): Rules/Governor

1 IN THE HOUSE BY THE RULES COMMITTEE

2 CS FOR HOUSE BILL NO. 124 (Rules) am
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the sale of merchandise by the
7 Department of Fish and Game, to sport fishing, trap-
8 ping, and hunting licenses, to big game tags, to
9 personal use salmon dip net fishing permits, to fur
10 dealer, taxidermy, aquatic farming, and game farming
11 licenses, and to duplicate licenses and tags; relat-
12 ing to the definition of resident in fish and game
13 laws; relating to use of revenue from sport fishing,
14 trapping, and hunting licenses and tags; relating to
15 the involuntary transfer of entry permits; and
16 providing for an effective date."

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

18 * Section 1. AS 16.05.050 is amended by adding a new paragraph to read:

19 (18) to authorize the production and sale of merchandise
20 bearing designs, labels, or words associating the merchandise with the
21 department; the merchandise may include posters, buttons, clothing,
22 calendars, and glassware.

23 * Sec. 2. AS 16.05.053 is amended by adding a new subsection to read:

24 (b) The commissioner of administration shall separately account
25 for money collected under AS 16.05.050(18) that the department depos-
26 its in the general fund. The annual estimated balance in the account
27 may be appropriated by the legislature to the fish and game fund.

28 * Sec. 3. AS 16.05.130 is amended by adding a new subsection to read:

29 (d) Revenue from the sale of general hunting, trapping, and

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

7 * Sec. 4. ~~AS 16.05.340(a)(1)~~ is amended to read:

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

9 * Sec. 5. ~~AS 16.05.340(a)(2)~~ is amended to read:

10 (2) Resident

11 (A) small game hunting license.....15 [12]

12 (B) hunting license for both big and small game....25

13 "Big game" means those species listed in (a)(15) of this section.

14 * Sec. 6. ~~AS 16.05.340(a)(3)~~ is amended to read:

15 (3) Resident hunting and trapping license.....40 [22]

16 * Sec. 7. ~~AS 16.05.340(a)(4)~~ is amended to read:

17 (4) Resident trapping license.....15 [10]

18 * Sec. 8. ~~AS 16.05.340(a)(5)~~ is amended to read:

19 (5) Resident hunting and sport fishing license.....40 [22]

20 * Sec. 9. ~~AS 16.05.340(a)(6)~~ is amended to read:

21 (6) Resident hunting, trapping, and sport fishing license
22 ~~50~~ 55 [32]

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

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

29 (B) has an annual family gross income of less than

Condon

1 \$5,600 for the year preceding application.

2 * Sec. 10. AS 16.05.340(a)(7) is amended to read:

3 (7) Nonresident special sport fishing license -- valid for

4 the period inscribed on the license

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

6 (B) For three-day license15

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

8 * Sec. 11. AS 16.05.340(a)(8) is amended to read:

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

10 * Sec. 12. AS 16.05.340(a)(9) is amended to read:

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

12 * Sec. 13. AS 16.05.340(a)(10) is amended to read:

13 (10) Nonresident hunting and sport fishing

14 license.....135 [96]

15 A nonresident may not take a big game animal without previously pur-

16 chasing a numbered, nontransferable, appropriate tag, issued under

17 (15) of this subsection. The tag must be affixed to the animal imme-

18 diately upon capture and must remain affixed until the animal is

19 prepared for storage, consumed, or exported. A tag issued but not

20 used for an animal may be used to satisfy the tagging requirement for

21 an animal of any other species for which the tag fee is of equal or

22 less value.

23 * Sec. 14. AS 16.05.340(a)(11) is amended to read:

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

25 * Sec. 15. AS 16.05.340(a)(12) is amended to read:

26 (12) Fur dealers:

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

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

29 * Sec. 16. AS 16.05.340(a)(13) is amended to read:

1 (13) Taxidermists:

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

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

4 * Sec. 17. AS 16.05.340(a)(14) is amended to read:

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

6 license.....400 [200]

7 * Sec. 18. AS 16.05.340(a)(15) is amended to read:

8 (15) Nonresident big game tags:

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

10 (B) [REPEALED.]

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

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

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

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

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

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

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

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

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

20 (L) WALRUS, EACH500

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

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

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

24 * Sec. 19. AS 16.05.340(a)(18) is amended to read:

25 (18) Game farming:

26 (A) Game mammal or game reptile farming biennial

27 license.....\$250 [200]

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

29 * Sec. 20. AS 16.05.340(a) is amended by adding new paragraphs to read:

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

*Conforming
change*

5 * Sec. 22. AS 16.05.940(25) is amended to read:

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

19 * Sec. 23. AS 16.43.170(a) is amended to read:

20 (a) Except as provided in AS 16.10.333 - 16.10.338 and in
21 AS 44.81.230 - 44.81.250, entry permits and interim-use permits are
22 transferable only through the commission as provided in this section
23 and AS 16.43.180 and under regulations adopted by the commission. An
24 involuntary transfer of an entry permit in a manner inconsistent with
25 this chapter and the regulations of the commission is void.

26 * Sec. 24. Section 23 of this Act takes effect immediately under
27 AS 01.10.070(c).

28 * Sec. 25. Except for sec. 23 of this Act, this Act takes effect
29 January 1, 1991.

HB124

KETCHIKAN SPORTS and WILDLIFE CLUB

P.O. Box 5122 • Ketchikan, Alaska 99901

January 19, 1990

FEB 6 1990

Governor Steve Cowper
Office of the Governor
P.O. Box A
Juneau, Alaska 99811-0101

Dear Governor Cowper,

There is an issue coming up in the 1990 legislative session that should give everyone who has ever bought a state hunting and fishing license a slap in the face. The issue is, increasing hunting and fishing license fees, as in House Bill 124.

Not a day goes by that somewhere in the paper you see an article about environmental groups trying to legally tie up our economy in the courts. These groups, although numbers are small, scream the loudest.

There is one group that although not normally vocal, are still in this category. It is not financed by private funds, but state funds. This is the states Alaska Department of Fish and Game (ADF&G). They consistently attack the timber industry as if they were responsible for all of the fish and game problems in Southeast Alaska. This is simply not true. ADF&G will finger any problem area not under their control as to the reason for game population reductions. Mention wolves and Commissioner Collinsworth crawls under his desk. Mention supplemental feed programs and we get "No way!! It's not natural and we are understaffed." Mention logging roads and old growth timber and five biologists appear!! Why is the ADF&G against the logging industry? Because it creates work and most importantly, federal funds. These funds finance these meaningless research projects they are so proud of.

Example: In the early 80's a predator prey research project was conducted here in Ketchikan to determine the effects wolves have on deer population. This was to last for three years. After collaring different members of different packs and tracking them all year, nothing was learned that any trapper or woodsman didn't know or couldn't tell you. This project was dropped after the first year with no results and no recommendations. Price tag: \$300,000.00

Later, goats were collared and monitored to determine if logging effected goat habitat. This project was dropped and again with no results or recommendations. Price tag: \$150,000.00 The list goes on and on.

In the Ketchikan Daily News on March 30, 1989 (Point of View) was an article from Keith J. Walker, a 33 year forester from Hoonah. "The Alaska Department of Fish and Game is a highly skilled political organization with various environmental groups to prevent or intercede any industrial use of Alaskans forest resources." This is always supported by claims and documents based on theory and policies, not on fact.

A cold hard fact is the State is running out of money. In just five years the Prudhoe Bay productions will be about two thirds of todays production, and by the year 2000 it will be about one third. This means simply, there will be less funds to go around. The bottom line here is, why pay more for the same old thing? Doubling your fishing and hunting fees will not increase fish and game populations. Increasing your license fees will not make a more responsible or efficient department out of our already top heavy administration.

Thank you,

KETCHIKAN SPORTS AND WILDLIFE CLUB

Bob DeWitt, Vice President

- c.c. all legislators
- all AOC clubs
- Ketchikan Daily News
- Juneau Empire
- Sitka Sentinel

- Petersburg Pilot
- Wrangell Sentinel
- Island News
- Martin Pihl - KPC
- Mary Biship - AOC, Fairbanks

Proposed amendment to HB 124 (license increase)

16.05.390 (F) Revenues generated from the sale of licenses to recreational hunters, fishermen, trappers and personal consumptive users and deposited to the fish and game fund shall be allocated by the Department to programs intended to directly benefit license purchasers. (The Department shall provide an annual report by project of expenditures from the fish and game fund.)

CSHB 124

OVERVIEW

Original Sponsor: Governor

Passed the House 30 to 10 on April 26

Related legislation: A bill to increase the low income license (SB 30) to \$5 is awaiting the Governor's signature. It passed the Senate 17 to 1 and passed the House 30 to 9.

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

Hunting and fishing licenses have not increased in price since 1977. While many states have provisions for automatic increases and other states have the ability to administratively increase fees, Alaska's license fees are set by the Legislature. It has been fourteen years since a thorough review of the state's license fee structure was conducted.

THREE BASIC PROVISIONS

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

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

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

Example:

For a resident to hunt deer the cost is:

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

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

For nonresidents to hunt deer the cost is:

Alaska	\$195
Alberta	\$178
British Columbia	\$178
Montana	\$200
Nevada	\$210

A Montana resident can buy a combination license to sport fish and hunt elk, deer, bear, and birds for \$450. In Alaska, a resident pays \$22 for the same privilege.

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

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

USE OF THE PROCEEDS

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

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

EFFECTIVE DATE

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

SCSCSHB 124 (Finance)
Senate Resources
Letter of Intent
5/3/90

It is the intent of the legislature to amend AS 16.43.170(a) in order to reiterate, emphasize, and clarify the original intent of the legislature in adopting the Limited Entry Act of 1973, AS 16.43.010--990.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

fisherman's ability to obtain financing for the purchase of a permit and his fishing operation, and, therefore, established two State authorized loan programs. AS 16.10.333-16.10.377; 44.81.271; and 44.81.230-44.81.250.) Just as a fisherman could not, contrary to State law, create a security interest in his fishing privilege, neither can a creditor.

The legislature recognized that a fisherman's earnings were seasonal and subject to many variables from year-to-year beyond control (for example, weather, predation, and interception). If creditors with short term objectives were allowed to treat an entry permit as a fungible item of property and to seize and force its sale, a fisherman without other means of earning a living, together with those dependent upon him, could well be left destitute. In Alaska, where many communities in remote areas of the State depend upon commercial fishing as the primary basis for their cash economy, this is a very real possibility. [The legislature notes that the Social Security Administration has acknowledged the wisdom of Alaska's approach by recognizing that an entry permit is essential to self-support, and, therefore, by not considering the market value of a permit as an alternative resource in determining an individual's eligibility for Supplemental Security Income benefits. 50 Fed. Reg. 42683, 42685 (1985).]

Although the State of Alaska could not countenance a system that inexorably would sever fishermen from the source of their livelihood, nonetheless, as a privilege, the legislature has made clear that an entry permit is subject to forfeiture, if its holder fails to abide by the applicable laws. See, for example, AS 16.05.480; 16.05.665; 16.05.710; 16.43.960; 16.43.970. Ultimately, because it has granted to fishermen only a revocable privilege, the State retains the dominion and control necessary to protect and manage its fishery resources.

In conclusion, compelling State interests were served, when the legislature rejected the idea that an entry permit represent a property right belonging to the permit holder. Instead, the legislature chose to establish an entry permit as a mere privilege, subject to State control, and revocable at the will of the State without compensation. Therefore, in order to reemphasize and to clarify its intent, the legislature amends AS 16.43.170(a).

ALASKA'S LIMITED ENTRY PROGRAM
Selected Bibliography

Alaska Governor's Study Group On Limited Entry. 1973. A Limited Entry Program for Alaska's Fisheries Juneau: State of Alaska.

Adasiak, Allan. 1977. "Limited Entry in Alaska". Published in Pacific Salmon Management For People, Western Geographic Series. Vol. 13. Edited by D.V. Ellis. University of Victoria. Victoria, B.C.

Adasiak, Allan. 1978. "The Alaska Experience with Limited Entry" published in Limited Entry As A Fishery Management Tool, eds. R. Bruce Rettig and Jay J.C. Ginter. Seattle: A Washington Sea Grant Publication distributed by University of Washington Press.

Adasiak, Allan. 1979. "Alaska's Experience with Limited Entry" published in J. Fish. Res. Board Can. 36: 770-782.

CFEC staff. 1975. "Report to the Legislature on Entry Permit Transfers". 14pp.

CFEC and ADF&G staff. 1981. "Expected Impacts of the Proposal To Create a Separate Aleutian Islands Salmon Permit Area". A report to the Twelfth Alaska Legislature by the Alaska Department of Fish and Game and The Commercial Fisheries Entry Commission. 37pp. plus Appendices.

CFEC Staff. 1983. "Alaska's Limited Entry Program: Some Policy Considerations From An Administrator's Perspective." CFEC Discussion Draft. Juneau. Alaska Commercial Fisheries Entry Commission. 25pp.

CFEC and ADF&G Staff. 1990. "A Review Of The Salmon Fisheries West of Unalaska". A Report To The Sixteenth Alaska Legislature. 28pp.

Dinneford, Elaine, et.al. 1983. "Changes In The Distribution of Permit Ownership in Alaska's Limited Fisheries 1975-1981. CFEC Report Number 83-2. Juneau: Alaska's Commercial Fisheries Entry Commission. 193pp.

Dinneford, Elaine. 1984. "Changes In The Distribution of Permit Ownership in Alaska's Limited Fisheries 1975-1983. CFEC Report Number 84-10. Juneau: Alaska's Commercial Fisheries Entry Commission. 173pp.

Dinneford, Elaine and Bruce Hart. 1986. "Changes In The Distribution of Permit Ownership in Alaska's Limited Fisheries

1975-1986. CFEC Report Number 86-6. Juneau: Alaska's Commercial Fisheries Entry Commission. 227pp.

Dinneford, Elaine and Kathryn Cohen. 1989. "Changes In The Distribution Of Alaska's Commercial Fisheries Entry Permits 1975-1988". CFEC Report Number 89-3. Juneau: Alaska Commercial Fisheries Entry Commission. 232pp.

Focht, Rick and Kurt Schelle. 1984. "Alaska's Subsidized Fishing Loan Program: A Study of Distributional Aspects of Permit Related Loans during Fiscal Years 1979 through 1982". CFEC Report Number 84-2. Juneau: Alaska Commercial Fisheries Entry Commission. 55pp.

Kamali, Nasser. 1984. "Alaska Natives and Limited Fisheries of Alaska: A Study of Changes In The Distribution Of Permit Ownership Among Alaskan Natives, 1975-1983". CFEC Report Number 84-8. Juneau: Alaska Commercial Fisheries Entry Commission. 42pp.

Karpoff, Jonathon M. 1983. "Regulatory Techniques in the Fishery: A Model For Pacific Salmon". CFEC Report No. 83-1. Juneau: Alaska Commercial Fisheries Entry Commission. 49pp.

Karpoff, Jonathon M. 1983. "Limited Entry Permit Prices". CFEC Report Number 83-6. Juneau: Alaska Commercial Fisheries Entry Commission. 73pp.

Karpoff, Jonathon M. 1983. "Non-Pecuniary Benefits in Commercial Fishing: Empirical Findings From The Alaska Salmon Fisheries. CFEC Report Number 83-7. Juneau: Alaska Commercial Fisheries Entry Commission. 26pp.

Karpoff, Jonathon M. 1983. "Low Interest Loans and the Markets for Limited Entry Permits in the Alaska Salmon Fisheries" CFEC Report No. 83-8. Juneau: Alaska Commercial Fisheries Entry Commission, 25pp.

Karpoff, Jonathon M. 1984. "Insights from the Markets For Limited Entry Permits In Alaska". Published in Canadian Journal of Fisheries and Aquatic Sciences Volume 41, No. 8.

Karpoff, Jonathon M. 1984. "Low Interest Loans and the Markets for Limited Entry Permits in the Alaska Salmon Fisheries. Published in Land Economics 60(1): 69-80.

Koslow, J. Anthony. 1979. "Limited Entry Policy And The Bristol Bay, Alaska Salmon Fishery". A report prepared for the Alaska State Legislature based on a survey conducted in Summer, 1979.

Koslow, J. Anthony. 1979. "Limited Entry Policy And The Bristol Bay, Alaska Salmon Fishery". Published in Canadian Journal of Fisheries and Aquatic Sciences. 39:415-25.

Kreinherder, Jack. 1980. "An Analysis Of The Legislative Options Under Consideration By The Limited Entry Study Group" in Appendix A of the report Socioeconomic Analysis For Fishery Areas and Census Division prepared for the Limited Entry Study Committee by George W. Rogers and Jack Kreinherder. Juneau: State of Alaska.

Langdon, Steve. 1980. "Transfer Patterns in Alaskan Limited Entry Fisheries". Final Report for the Limited Entry Study Group of the Alaska State Legislature. Juneau: State of Alaska.

Langdon, Steve. 1983. "Culture, Canneries, and Contemporary Dynamics Of The Bristol Bay Salmon Fishery" a draft working paper prepared for SESP MMS/OCS.

Martin, John B. 1979. "Optimum Numbers" A report submitted to the Commercial Fisheries Entry Commission. Juneau: Environmental Services Limited.

Martin, John B. 1979. "The Use Of Probability Distributions In Fisheries Decision Making" published in Alaska Fisheries: 200 Years And 200 Miles Of Change, proceedings of the 29th Alaska Science Conference. Sea Grant Report 79-6. Fairbanks: University of Alaska.

Miller, Marc L. and Jeffrey C. Johnson. 1981. "Hard Work and Competition in the Bristol Bay Salmon Fishery". Published in Human Organization, Vol.40, No.2, pp 131-139.

Morehouse, Thomas A. and George W. Rogers. 1980. "Limited Entry In The Alaska and British Columbia Salmon Fisheries". Anchorage: Institute of Social and Economic Research, University of Alaska. 291pp.

Morehouse, Thomas A. 1984. "Native Participation In Alaska's Commercial Fisheries" a paper presented at Conference on Native Self-Reliance Fisheries and Aquatic Resources Panel, Vancouver, B.C.. Anchorage: Institute of Social and Economic Research, University of Alaska. 17pp.

Muse, Ben. 1984. "Free Transferability: Two Problems and a Solution. CFEC draft discussion paper 84-3. Juneau: Alaska Commercial Fisheries Entry Commission. 23pp.

Muse, Ben and Kurt Schelle. 1986. "Investments in Fleet Reductions: Suggestions for Revisions of Alaska's Buy-back

Statute. CFEC draft report 86-2. Juneau: Alaska Commercial Fisheries Entry Commission. 99pp.

Muse, Ben. 1990. "Forecasts of 1990 Entry Permit Values for the Cook Inlet Salmon Seine Fishery". CFEC Report Number 90-2. Juneau: Alaska Commercial Fisheries Entry Commission. 26pp.

Muse, Ben. 1990. "An Experimental Forecast of the 1990 Entry Permit Value for the Southern Southeast Black Cod Longline Fishery". CFEC Report Number 90-3. Juneau: Alaska Commercial Fisheries Entry Commission. 3 pp.

Muse, Ben. 1990. "An Experimental Forecast of the 1990 Entry Permit Value for the Southeastern King and Tanner Crab Permit". CFEC Report Number 90-4. Juneau: Alaska Commercial Fisheries Entry Commission. 3 pp.

Mundt, J. Carl. (editor). 1975. Limited Entry Into The Commercial Fisheries Seattle: Institute for Marine Studies, University of Washington.

Oakley, Karen. 1989. "The Permit Drain In The 80's: A Study Of Recent Transfers Of Entry Permits For Alaska's Fisheries". House Research Agency Report 89-C. Juneau: Alaska State Legislature. 67pp.

Owers, James. 1974. "Cost and Earnings of Alaskan Fishing Vessels-An Economic Survey". Juneau: Alaska Commercial Fisheries Entry Commission. 40pp.

Owers, James E. 1977. Income Estimates and reasonable returns in Alaska's salmon fisheries. Fish Bull. 75 (3): 483-492.

Pennoyer, Steven. 1979. "Development Of Management Of Alaska's Fisheries" published in Alaska Fisheries: 200 Years and 200 Miles of Change, Proceedings of the 29th Annual Alaska Science Conference. Sea Grant Report 79-6. Fairbanks: University of Alaska.

Petterson, John S. 1982. "Policy and Culture: The Bristol Bay Case". A draft paper based upon research performed under NSF grant 7917582. 20pp.

Petterson, John S. 1982. "Limited Entry And The Bristol Bay Native: Problems and Prospects". A draft paper based upon research performed under NSF grant DAR-7917582. 17pp.

Porter, Russell G. 1978. "Review of Limited Entry Alternatives for Commercial Salmon Fisheries. Portland: Pacific Marine Fisheries Commission.

Rettig, R. Bruce. 1984. "License Limitation In The United States and Canada: An Assessment". Published in the North American J. of Fish. Mgmt. 4:231-248. pp 231-248.

Rogers, George W. 1979. "Alaska's Limited Entry Program: Another View". Published in J.Fish. Res. Board Can. 36:783-788.

Schelle, Kurt and Ben Muse. 1984. "Buyback of Fishing Rights in the U.S. and Canada: Implications for Alaska", a paper presented at the 114th Annual Meeting of the American Fisheries Society in Ithaca, New York. Juneau: Alaska Commercial Fisheries Entry Commission. 77pp.

Schelle, Kurt and Ben Muse. 1986. "Efficiency and Distributional Aspects of Alaska's Limited Entry Program" Published in Fishery Access Control Programs Worldwide: Proceedings of the Workshop on Management Options for the North Pacific Longline Fisheries. Alaska Sea Grant Report No. 86-4. Fairbanks: Alaska Sea Grant College Program, University of Alaska. 35pp.

Schelle, Kurt and Ben Muse. 1989. "License Programs Under Alaska's Limited Entry Statutes: Policy Decisions Under Statutory Constraints. Presented at the 119th Annual Meeting of the American Fisheries Society, Anchorage, Alaska. September 1989. Juneau: Alaska Commercial Fisheries Entry Commission, 33pp.

Wilén, James E. 1979. Fishermen Behavior and the Design of Efficient Fisheries Regulation Programs. Published in J. Fish. Res. Board Canada. 36:855-58.

Wilén, James E. 1988. "Rent Generation In Limited Entry Fisheries" published in Rights Based Fishing, eds. Philip A. Neher, Ragnar Arnason, and Nina Mollet. NATO ASI Series. Kluwer Academic Publishers. 13pp.

Wilén, James E. 1988. "Limited Entry Licensing: A Retrospective Assessment" published in Marine Resource Economics Vol. 5, No.4, 11pp.

Young, Oran R. 1983. "Fishing by Permit: Restricted Common Property In Practice" published in Ocean Development and International Law Journal, Volume 13, Number 2, 48pp.

A Partial List of Alaska Supreme Court Cases
Addressing Alaska's Limited Entry Program

Isakson v. Rickey, 550 P.2d 359 (Alaska 1976)
State, CFEC v. Templeton, 598 P.2d 77 (Alaska 1979)
Yunker v. AK CFEC, 598 P.2d 917 (Alaska 1979)
CFEC v. Apokedak, 606 P.2d 1255 (Alaska 1980)
CFEC v. Eide, 608 P.2d 769 (Alaska 1980)
Estate of Smith v. State, 635 P.2d 465 (Alaska 1981)
Estate of Miner v. CFEC, 635 P.2d 827 (Alaska 1981)
Vik v. CFEC, State, 636 P.2d 597 (Alaska 1981)
Rose v. CFEC, 647 P.2d 154 (Alaska 1982)
Jones v. CFEC, 649 P.2d 247 (Alaska 1982)
Anderson v. State, CFEC, 654 P.2d 1320 (Alaska 1982)
State v. Ostrosky, 667 P.2d 1184 (Alaska 1983); appeal
dismissed for want of a substantial federal question, 467
U.S. 1201, 104 S. Ct. 2379, 81 L. Ed.2d 339 (1984).
Rutter v. State, 668 P.2d 1343 (Alaska 1983)
Timperley v. Jeffries, Op. No. 2765 (Alaska 1983)
Spagnola v. State, CFEC, M.O.J. Op. No. 153 (Alaska 1984)
Forquer v. State, CFEC, 677 P.2d 1236 (Alaska 1984)
Ostman v. State, CFEC, 678 P.2d 1323 (Alaska 1984)
White v. CFEC, 678 P.2d 1319 (Alaska 1984)
CFEC v. Apokedak, 680 P.2d 486 (Alaska 1984)
Nash v. State, CFEC, 679 P.2d 477 (Alaska 1984)
Wickersham v. State, CFEC, 680 P.2d 1135 (Alaska 1984)
Noden v. CFEC, 680 P.2d 493 (Alaska 1984)
Pete v. CFEC, M.O.J. Op. No. 159 (Alaska 1984)

Wik v. Wik, 681 P.2d 336 (Alaska 1984)
Anderson v. State, CFEC, M.O.J. Op. No. 166 (Alaska 1984)
CFEC, State, v. Byavuk, 684 P.2d 114 (Alaska 1984)
Bavilla v. State, CFEC, M.O.J. Op. No. 170 (Alaska 1984)
Lucido v. State, M.O.J. Op. No. 171 (Alaska 1984)
Roehl v. AK CFEC, 684 P.2d 130 (Alaska 1984)
Cashen v. State, CFEC, 686 P.2d 1219 (Alaska 1984)
Moore v. State, CFEC, 688 P.2d 582 (Alaska 1984)
Gursli v. State, M.O.J. Op. No. 182 (Alaska 1984)
Brown v. Baker, 688 P.2d 943 (Alaska 1984)
Deubelbeiss v. CFEC, 689 P.2d 487 (Alaska 1984)
Kalmakoff v. State, CFEC, 693 P.2d 844 (Alaska 1985)
Chocknok & Andrew v. State, CFEC, 696 P.2d 669 (Alaska 1985)
Kalmakoff v. State, CFEC, 697 P.2d 650 (Alaska 1985)
Johns, Greg et.al. v. State, CFEC, Op. No. 2934 (Alaska 1985)
Johns v. CFEC, M.O.J. Op. No. 241 (Alaska 1985)
Kjarstad v. State, CFEC, 703 P.2d 1167 (Alaska 1985)
Vincent v. State, CFEC, 717 P.2d 391 (Alaska 1986)
Simpler v. State, CFEC, 728 P.2d 227 (Alaska 1986)
Grunert v. State, CFEC, 735 P.2d 118 (Alaska 1987)
Anderson v. Anderson, 736 P.2d 320 (Alaska 1987)
Galeano v. State, CFEC, M.O.J. No. 375 (Alaska 1987)
Havnes v. State, CFEC, 746 P.2d 892 (Alaska 1987)
Johns v. CFEC, 758 P.2d 1256 (Alaska 1988)
Arkanakyak v. CFEC, 759 P.2d 513 (Alaska 1988)
Lorentzen v. State, CFEC, M.O.J. No. 442 (Alaska 1989)

Wilson v. State, CFEC, 770 P.2d 1126 (Alaska 1989)

Sublett v. State, CFEC, 773 P.2d 952 (Alaska 1989)

Matson v. State, CFEC, ___ P.2d ___, Op.No. 3551 (Alaska 1990)

H B

128

*Hold
20-2-1966*

*18-1
4pc*

FOR FLOOR FOLDER

prepared by Tom

BILL NUMBER: HB 128
SPONSOR: Rep. Brown.
BILL TITLE: Relating to state oil and gas and geothermal
leasing practice and adjustments of state
royalties to encourage production

COMMITTEE REPORTS: Hs Res 4DP 1DNP 2NR
Hs Fin 9DP
Sen O&G 3DP 1NR
Sen Res 3DP 3NR
Sen Fin 4DP 1NR

FISCAL NOTES: DNR Zero

DEPARTMENT'S POSITION: Support
STAFF RECOMMENDATION: A YES vote.

HB 128 makes changes to leasing practices to encourage commercial production.

It does this by amending existing law to change from three to five years, the time allowed to pass without DNR having to prepare a "best interest" finding to lease "exempt" lands.

DNR would be able to reduce royalties in order to allow a producer to re-establish a shut in well that would otherwise not be economically feasible. The commissioner would have to make a clear showing that the shut in well would not be economical to produce without without a royalty reduction. Written finding would have to given to Speaker and President.

Under current statute, the term of a re-offered lease is five years, HB 128 would make the term ten years, the same as other oil and gas leases.

The bill makes housekeeping amendment to public notice statutes for oil and gas leases, requiring the debt provide broad public notice of leasing actions.

Adds Sec. 2 which explicitly tells the director what must consider and discuss when making a written finding.

The industry does not object to the bill. Conoco supports it, would like a delayed effective date (too late, it's a house bill).

April 28, 1989

SENATE JOURNAL

p. 1504

HB 128

CS FOR HOUSE BILL NO. 128 (Finance) by the Finance Committee, entitled:

"An Act relating to state oil and gas and geothermal leasing practices and adjustments of state royalties to encourage commercial production."

was read the first time and referred to the Senate Special Committee on Oil and Gas, the Resources Committee, and the Finance Committee.

February 9, 1990

SENATE JOURNAL

p. 2396

HB 128

The Senate Special Committee on Oil and Gas considered CS FOR HOUSE BILL NO. 128 (Finance) (An Act relating to state oil and gas and geothermal leasing practices and adjustments of state royalties to encourage commercial production) and a majority of the committee recommended it be replaced with:

SENATE CS FOR CS FOR HOUSE BILL NO. 128 (Oil & Gas)

and do pass. The report was signed by Senator Pearce, Chair, and concurred in by Senators Kelly and Halford. Senator Fischer signed "no recommendation."

Zero fiscal note published today from Department of Natural Resources.

CS FOR HOUSE BILL NO. 128 (Finance) was referred to the Resources Committee.

March 8, 1990

SENATE JOURNAL

p. 2775

HB 128

The Resources Committee considered CS FOR HOUSE BILL NO. 128 (Finance) (An Act relating to state oil and gas and geothermal leasing practices and adjustments of state royalties to encourage commercial production) and a majority of the committee recommended it be replaced with

SENATE CS FOR CS FOR HOUSE BILL NO. 128 (Resources)

Senator Kerttula, Vice-Chair, and Senators Zharoff and Fahrenkamp signed "no recommendation." Senators Frank, Eliason and Sturgulewski signed "do pass."

Zero fiscal note published today from Department of Natural Resources.

CS FOR HOUSE BILL NO. 128 (Finance) was referred to the Finance Committee.

April 27, 1990

SENATE JOURNAL

p. 3650

HB 128

The Finance Committee considered CS FOR HOUSE BILL NO. 128 (Finance) (An Act relating to state oil and gas and geothermal leasing practices and adjustments of state royalties to encourage commercial production) and a majority of the committee recommended it be replaced with

SENATE CS FOR CS FOR HOUSE BILL NO. 128 (Finance)

and do pass. The report was signed by Senator Uehling, Co-Chair, and concurred in by Senators Frank, Pearce and Fischer. Senator Zharoff signed "no recommendation."

Zero fiscal note published today from Department of Natural Resources.

CS FOR HOUSE BILL NO. 128 (Finance) was referred to the Rules Committee.

May 5, 1990

SENATE JOURNAL

p. 3984

HB 128

Senator Rodey moved and asked unanimous consent that the next item of business on today's calendar, namely, CS FOR HOUSE BILL NO. 128 (Finance) (An Act relating to state oil and gas and geothermal leasing practices and adjustments of state royalties to encourage commercial production) be held to the May 6 calendar. Without objection, it was so ordered.

FISCAL NOTE

REQUEST:

Revision Date: 30-Jan-90
 Title: An Act relating to oil & gas & geothermal leasing practices.
 Sponsor: Brown, M. Davis, Gruenberg, Ellis
 Requestor: Senate Oil & Gas Committee

Agency Affected: Natural Resources
 BRU: Petroleum Management

Components: Petroleum Mgmt

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0.0					

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

Changes in SCS CSHB 128 (Fin) have no fiscal impact. This fiscal note is appropriate. 4/27/90 *shw*

Prepared by: Carol Wilson
 Division: Commissioner's Office

Phone: 465-2400
 Date: 30-Jan-90

Approved by Commissioner: Lennie Gorsuch
 Agency: Department of Natural Resources

Date: 30-Jan-90

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

Changes in SCS CSHB 128 (Res) have no fiscal impact. This fiscal note is appropriate.

FISCAL NOTE

REQUEST:

Revision Date: 30-Jan-90 Agency Affected: Natural Resources
 Title: An Act relating to oil & gas & geothermal leasing practices. BRU: Petroleum Management
 Sponsor: Brown, M. Davis, Gruenberg, Ellis Components: Petroleum Mgmt
 Requestor: Senate Oil & Gas Committee

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0.0					

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

Prepared by: Carol Wilson Phone: 465-2400
 Division: Commissioner's Office Date: 30-Jan-90
 Approved by Commissioner: Lennie Gorsuch Date: 30-Jan-90
 Agency: Department of Natural Resources

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

Changes in SCS 85 HB 128 (Res)
 have no fiscal impact.
 This fiscal note is
 appropriate.

FISCAL NOTE

REQUEST:

Revision Date: 30-Jan-90 Agency Affected: Natural Resources
 Title: An Act relating to oil & gas & geothermal leasing practices. BRU: Petroleum Management
 Sponsor: Brown, M. Davis, Gruenberg, Ellis Components: Petroleum Mgmt
 Requestor: Senate Oil & Gas Committee

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0.0					

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

Prepared by: Carol Wilson Phone: 465-2400
 Division: Commissioner's Office Date: 30-Jan-90

Approved by Commissioner: Lennie Gorsuch Date: 30-Jan-90
 Agency: Department of Natural Resources

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