

MAINE STATE LEGISLATURE

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February 7, 1980

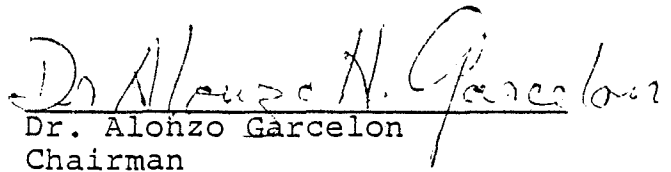
Legislative Council
State House
Augusta, Maine 04333

Gentlemen:

In accordance with House Paper 1517, which created this Select Committee and ordered it to study the operation and finances of the Department of Inland Fisheries and Wildlife, we enclose the majority and minority reports of the Select Committee on Fisheries and Wildlife.

Unfortunately this Committee was not able to begin its study until October 31, 1979. Because of this, we were not able to examine the budget of the department in sufficient detail, and were not able to consider all possible funding or reorganization alternatives. We recommend, therefore, that the Legislative Council direct this or a similar Select Committee to pursue this work in further detail, and submit a second, more detailed report to the 110th Legislature.

Respectfully submitted,


Dr. Alonzo Garcelon
Chairman

MAJORITY REPORT
of the
SELECT COMMITTEE ON FISHERIES AND WILDLIFE

COMMITTEE MEMBERS

Dr. Alonzo Garcelon, Chairman
Senator Richard Pierce
Senator Nancy Clark
Representative Donald Carter
Representative Lionel H. Conary
Mr. Bud Leavitt
Professor David Haines
Mr. William Ginn

Submitted to the
Legislative Council
109th Legislature

February 15, 1980

Introduction

The 109th Legislature, through House Paper 1517, created a Select Committee on Fisheries and Wildlife. The Committee was directed to review the operation and finances of the Department of Inland Fisheries and Wildlife, and to determine whether the present system of funding is adequate to meet the requirements of the statutes and regulations the department administers. The study order recognized that the dedicated revenues of the department had not kept pace with inflation, and the department would soon be expending its cash balance. The Legislature addressed the immediate needs of the department in 1979 by passing LD 1600, "AN ACT to Increase Revenues Available to the Department of Inland Fisheries and Wildlife to Compensate for the Effects of Inflation on Its Current License Fees." Long term alternatives for financing were to be considered by this study.

Background

For more than a century fish and wildlife management and regulation have been funded primarily by dedicated revenues from the sale of hunting and fishing license fees. This relationship has been generally satisfactory. The activities of the department have been very responsive to the needs and desires of sportsmen, and sportsmen have felt they have much more impact on this than other state agencies. In the last few years, however, this funding has been increasingly stressed by two factors. First, there has been a blurring of traditional fish and wildlife activities. The department has been mandated by the Legislature to administer and enforce non-fish and wildlife activities, such as litter control, and dog-leash, watercraft, snowmobile, and environmental laws. These activities, while related to fish and wildlife, benefit a broader group than the sportsmen purchasing fish and wildlife licenses. Secondly, the ravages of inflation have taken their toll on the dedicated revenues of the department. In spite of a recent fee increase, increasing costs, particularly for personnel, may soon exceed revenues from license sales.

The combination of increasing non-fish and wildlife activities and inflating costs of goods and services has created a crisis within the department. The commissioner has reduced capital expenditures and stopped filling vacant positions. In spite of this, the commissioner predicts that expenditures for FY 1980 will exceed revenues by almost \$2 million. This would reduce their cash balance to approximately \$700,000.¹ If con-

¹ Throughout this report, possible revenues from the 1980 moose season have been excluded. The season is experimental, the revenues are difficult to predict, and there is a possibility the season may be enjoined.

tinued in FY 1981, their cash balance would reach zero by September, and the commissioner would have to radically reduce expenditures by cutting personnel and eliminating programs.

In the face of this crisis the Select Committee studied the operation and finances of the Department. The committee surveyed funding methods in most of the other states, and examined the department funding sources and expenditures in detail.

Revenues

The department receives federal revenues, and state revenues from the General Fund and Special Revenue accounts. The bulk of the revenue is derived from the sale of hunting and fishing licenses. The following table indicates the relative importance of each source.

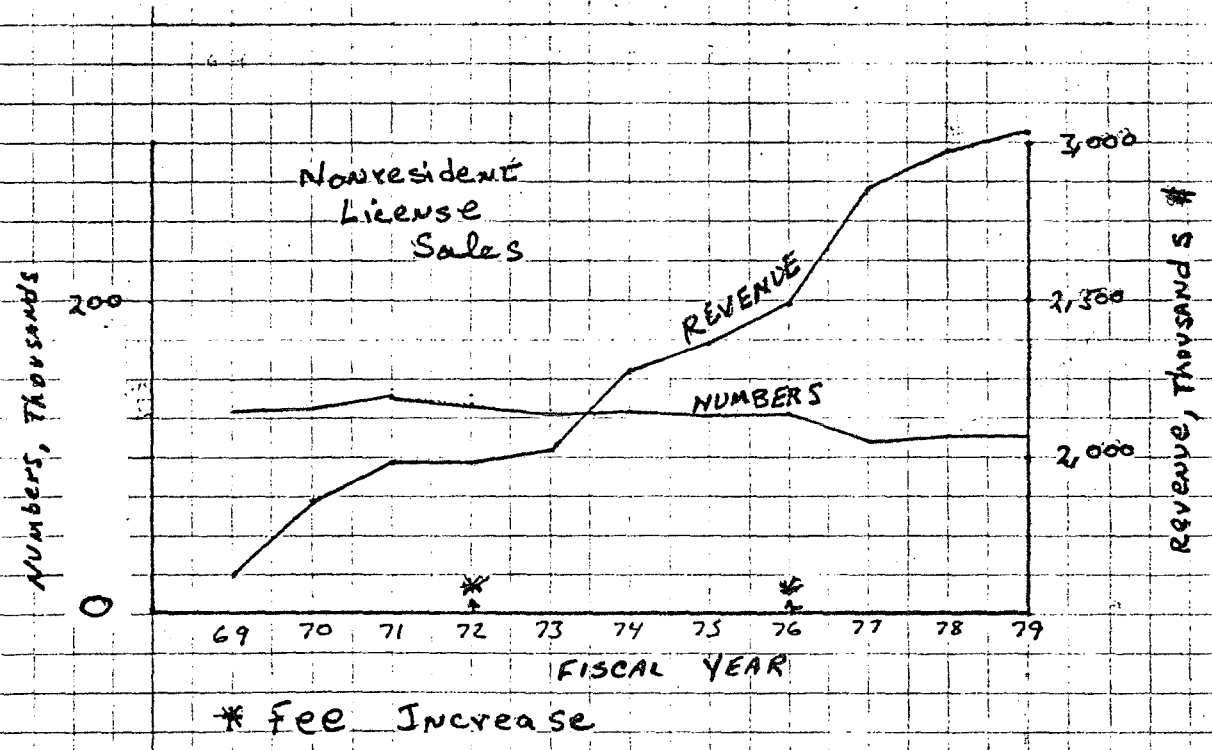
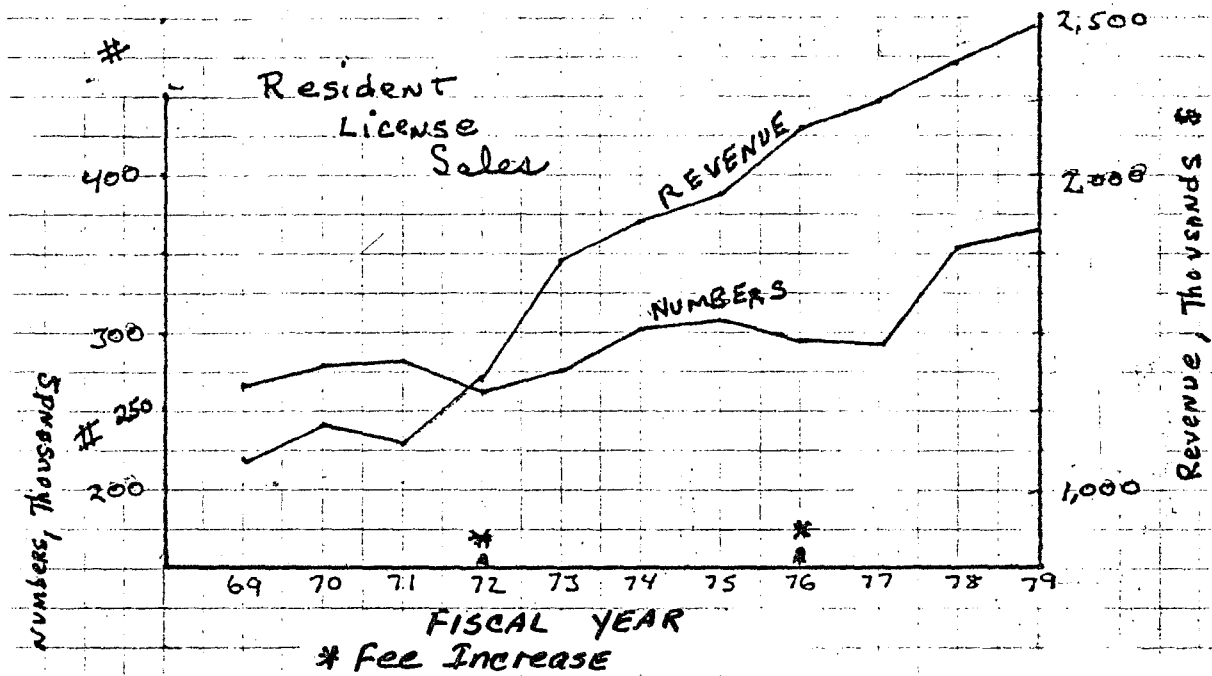
<u>Source</u>	<u>Percent of total</u>
Nonresident fishing	13.0
Nonresident hunting	26.1
Resident fishing	9.1
Resident hunting	9.5
Combination licenses	13.8
Watercraft and snowmobiles	7.6
Federal aid	10.8
Fines and fees	3.7
Other	6.4

The federal funds are mostly from an 11 percent federal excise tax on arms, ammunition, and fishing equipment. They are administered through wildlife management (Pittman-Robertson, or PR), fisheries management (Dingell-Johnson, or DJ), endangered species, and hunter safety programs. The PR, DJ and hunter safety programs provide up to 75 percent federal reimbursement for approved programs.

According to department personnel, to receive these federal funds all state hunting and fishing license revenues must be used only for administration of its fish and wildlife department. The federal funds may only be used for approved projects to restore, manage, or regulate fish and wildlife. Law enforcement and public education are not eligible, unless part of an approved program. As of November, 1979, there was \$637,888 available in unmatched wildlife restoration (PR) funds, while the fisheries restoration (DJ) funds were essentially fully matched. Federal grants are mainly from formula grants-in-aid, and are therefore relatively stable and predictable. They have been increasing by about 10 percent, or \$100,000 per year.

State revenues come from the sale of hunting, fishing, and related licenses, watercraft and snowmobile registrations, fines from fish and wildlife violations, and a small general fund appropriation. The general fund appropriation is for reimbursement for search for lost persons and office rental costs.

Revenue from sales of hunting and fishing licenses is generally unpredictable, but numbers of licenses sold have fallen each time there is a fee increase.



Maine resident and nonresident license fees are high in comparison with most northeastern states. Because of resistance to sales, further license fee increases may actually reduce available revenues. Based on a 7.8% drop in fishing license sales for the first 2 months of FY 80, the department is projecting a \$238,600 drop in license fees for FY 80, in spite of an \$800,000/year fee increase effective January 1, 1980.

Ever since the disasterous forest fires of 1947, the department has carried a cash reserve. This cash reserve is used to cover a) contingencies when license fees decrease due to adverse weather or forest closures due to forest fire danger; b) unbudgeted salary increases or capital expenditures; and c) a working capital balance for current expenditures or extraordinary purchases. The balance has more or less steadily grown from \$400,000 in 1947 to \$2.9 million in December, 1979. Because current expenditures exceed revenues, the department estimates that this cash balance will drop to \$699,000 by June, 1980, and may go below zero by September, 1980.

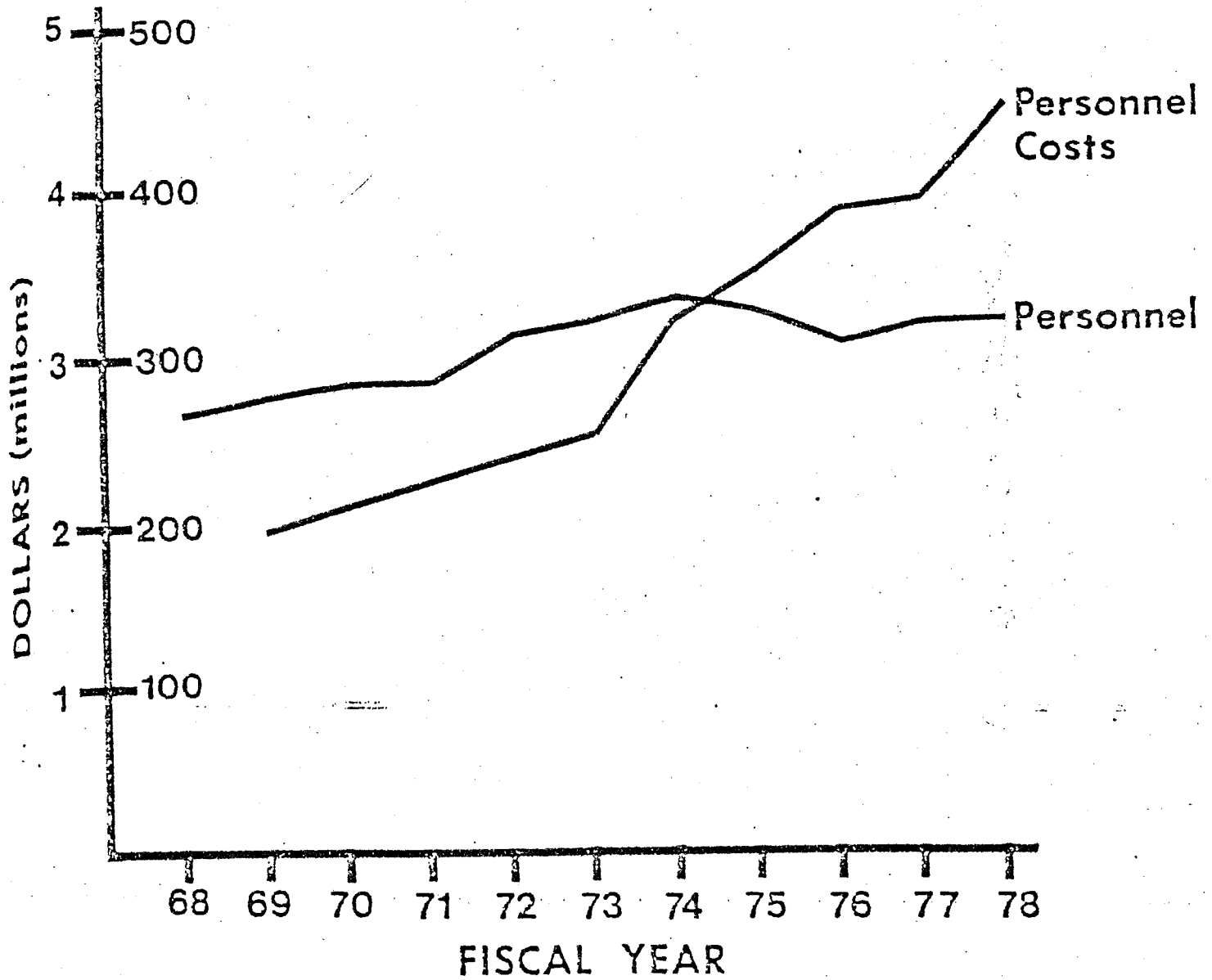
Operation of the Department

A previous Select Committee examined the operation and efficiency of the department in 1978. The study concluded that the department was efficiently administered, adequately but not excessively staffed, and responsive to the needs of the state. This study will focus on general areas of operation, and their financial implications.

1. Non-traditional fish and wildlife activities. In 1976 the department estimated that 21 percent of their costs were for non-fish and wildlife activities. The Performance Audit Committee recommended that the department more carefully docu-

ment its expenditures in this area, and seek general fund reimbursement for these costs. More recent information indicates the department spends about \$230,000, or about 3 percent of their total budget on environmental and dog leash laws. While this is a significant cost, it is clearly not the cause of their current fiscal crisis.

2. Level of department operations. The total of full-time, part-time and seasonal employees has varied from 266 in 1968 to a high of 333 in 1974. There are currently 315 total employees in the department, of which 290 are permanent. Total department expenditures during this period have increased from \$3.5 million to \$7.5 million. The relatively stable work force indicates that this increase is not due to expanding programs, but rather increased costs for existing programs. Cost increases for personal services have been particularly dramatic.



The State Employees Relations Act was passed in 1974, and provides the statutory framework for collective bargaining between the state and its employees. Bargaining under this act has resulted in

- 1) The definition of "nonstandard workweek" encompassing many of the department's employees, and entitling them to a special 16% rate increase over basic rates in their salary grades. There have also been 2 across the board salary increases;
- 2) The department is also obligated to provide a uniform maintenance allowance to many of the department's employees at a cost of \$156.00 per year per employee; and
- 3) The department must furnish work clothing, equipment and State vehicles where appropriate.

The agreement also governs most aspects of the employer-employee relationship, such as procedure for layoffs, overtime, compensating time, vacations, holidays, leaves of absences and seniority and how it is applied. Collective bargaining has significantly increased the costs of personnel services for the department. Unlike other state agencies, however, the department receives no general fund revenues for these increased costs.

Considerations

The following table summarizes department revenues and expenditures for 1969 through 1982.

<u>Fiscal Year</u>	<u>Revenues</u>	<u>Expenditures</u>
1969	\$3,537,404	\$3,554,832
1970	4,007,447	3,794,008
1971	4,182,163	3,975,518
1972	4,540,030	4,421,345
1973	5,007,670	4,620,973
1974	5,231,090	4,979,224
1975	5,684,195	5,816,713
1976	6,050,680	5,879,232
1977	6,144,459	5,650,934
1978	6,953,507	6,986,219
1979	7,783,832	7,570,796
1980	7,224,493	9,262,792
1981	8,276,845	9,896,767
1982	8,345,687	10,437,910

The department's estimate of revenues for 1980 and beyond may be unduly pessimistic. Even if they are, however, expenditures will very shortly exceed revenues. The commissioner has cut capital and other spending by \$441,000 for this fiscal year. In spite of this, he predicts a \$1.7 million increase in expenditures this year. It is evident that he will probably have to cut programs, and this Majority Report suggests he consider cuts in the following areas:

- 1) Pheasant stocking and game farm program. This program costs \$115,000 annually, but only produces \$22,888 in revenues. The program should either be eliminated entirely, or operated on a self-sustaining basis.

- 2) Put and take fish stocking. "Put and take" fish stocking yields little in long term benefits, and is very expensive. Two hatcheries should be closed, with an annual savings of approximately \$200,000 per year.
- 3) Warden flying service. Consider using contract rather than in-house flying services.
- 4) Vehicles. Closely scrutinize the necessity for pursuit vehicles, particularly for supervisory law enforcement personnel.
- 5) Federal funds. Shift programs financed with state money to programs eligible for federal reimbursement. This should be done to the limit of available matching funds.
- 6) Promotional activities. The committee recommends a more aggressive policy of promoting hunting and fishing in Maine. This promotion should emphasize under-utilized species such as bass and perch. The committee further recommends that if the experimental 1980 moose season is successful, a regular open season on moose should be established as soon as possible. The provisions for the open season should include strict monitoring of the moose herd, and should provide at least limited opportunity for non-resident participation.

The majority of the committee hope that no other program cuts would be necessary. Since, however, the department is prohibited by law from expending more than its available revenues, the commissioner will have to do whatever is necessary to accomplish this.

Recommendations

While the charge to this study committee was to study long-

term funding alternatives, the department has an immediate cash flow problem. To alleviate this short-term crisis, the Majority Report makes the following recommendations:

Recommendation No. 1. Seek limited license fee increases.

Further license fee increases will put the price of hunting and fishing licenses out of line with competing states, and are not likely to significantly increase total revenues. Therefore, the committee does not recommend a general license fee increase. They do recommend the following:

- a) Establish a harvest fee on big game. A harvest fee will only be paid by successful big game hunters, and should incur limited license sales resistance. This would produce about \$300,000 per year.
- b) Increase boat registration fees. Presently, boat registration fees are only \$5 for 3 years. Increasing this to \$15 for 3 years will raise \$260,000 per year.
- c) Increase trapping license and tagging fees. There have been recent dramatic increases in fur prices, and a related increase in fur trapping activity. A \$10 increase in license fees will raise \$42,000/year.
- d) Establish a woodcock hunting stamp. A special stamp for hunting woodcock would serve two purposes. First, it would identify those hunters actually pursuing woodcock. Second, it would raise revenue for increased woodcock management. This stamp requirement would raise approximately \$45,000/year.

Recommendation No. 2. Encourage attrition within the department.

The department is characterized by an unusually low attrition rate, and is getting progressively "top-heavy." Increasing retirement benefits for employees currently eligible to

retire could result in an immediate salary savings, and increase morale by creating promotional opportunities for other employees. Recommendation No. 3. Seek a \$1 million emergency appropriation from the general fund.

It is impossible to precisely predict future revenues from license sales. Several factors, including the availability of gasoline and the economic climate, make this particularly difficult now. If license sales fall, the cash balance could be expended very quickly. To avoid either massive cuts in personnel or the necessity of calling a special session of the Legislature, \$1 million should be transferred from the General Fund to the Fish and Wildlife account. The money should not be expended, however, unless it is absolutely necessary. The Legislature should also consider permitting the department to borrow from the general fund in anticipation of revenues.

Long-term recommendations.

By far the most controversial issue discussed related to dedicated revenues. There is consensus that non-fish and wildlife activities should be financed by general fund rather than dedicated revenue. Some committee members feel, however, that general fund revenues should not be used to finance the general operation of the department unless the other revenue sources are undedicated. Because of the very long tradition of dedicated revenues, the unique relationship between the department and sportsmen, and because of the vital role of fish and wildlife in the economic, recreational, and aesthetic quality of Maine life, the Majority Report recommends maintaining dedicated revenues for the Department of Inland Fisheries and Wildlife. However,

the funding base should be broadened to include more than the dedicated license fees and fines.

Recommendation No. 4. Seek general fund reimbursement for non-fish and wildlife activities.

General fund revenues should be allocated in proportion to the value of services provided by the department. The Majority Report recommends legislation enabling the commissioner to bill other state agencies for services rendered in the enforcement of litter, dog, and environmental laws. Also, costs of searching for lost persons should be fully reimbursed, as is now required by statute. This would provide approximately \$250,000.

Recommendation No. 5. The Legislature should investigate new tax sources to finance the department.

Since a substantial part of the retail trade of the state is related to and dependent on fish and wildlife resources, the Majority Report recommends considering allocating 1/2 of 1 percent of total sales and use tax revenue to the Department of Inland Fisheries and Wildlife. Additionally, the Legislature should examine a severance tax on minerals, with the revenue also going to the department.

Recommendation No. 6. The Legislature should encourage voluntary contributions to the department, and credit the department with interest earned on these funds.

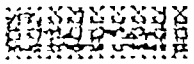
Voluntary contributions through voluntary income-tax check-offs have been successfully implemented in several states. The Majority Report recommends establishing a similar program in Maine. The department should receive income earned on these and other contributions.

APPENDICES

	<u>Page</u>
Study Order-----	15-A
Legislation to implement Majority Report Recommendations:	
AN ACT to Promote Hunting, Fishing and Camping in Maine -----	16
AN ACT to Create a Harvest Fee for Big Game -----	17
AN ACT to Increase Registration Fees for Watercraft -----	19
AN ACT to Increase Trapping Fees -----	20
AN ACT to Create a Woodcock Hunting Stamp -----	21
AN ACT to Create a Combination Non- resident Hunting and Fishing License-----	22
AN ACT to Appropriate Funds to the Department of Inland Fisheries and Wildlife -----	23
AN ACT to Encourage Retirement of Wardens in the Department of Inland Fisheries and Wildlife -----	24
AN ACT to Create an Inland Fisheries and Wildlife Fund and Authorize the Commissioner to Charge Other State Agencies for Services Rendered-----	25
AN ACT to Provide an Income Tax Check- off for Voluntary Contributions to the Department of Inland Fisheries and Wildlife -----	28
AN ACT to Allocate One Half of One Percent of the Sales and Use Tax to the Department of Inland Fisheries and Wildlife -----	30
AN ACT to Create a Severance Tax on Minerals to Help Finance the Depart- ment of Inland Fisheries and Wildlife -----	31
AN ACT to Permit the Department of Inland Fisheries and Wildlife to Borrow in Anticipation of Revenues-----	36

STATE OF MAINE

In House



Whereas, the Department of Inland Fisheries and Wildlife is funded with dedicated revenues; and

Whereas, enactment of environmental laws and other statutory responsibilities have placed a great burden upon the personnel and financial resources of the department; and

Whereas, license revenues fluctuate dramatically, and generally do not keep up with inflation; and

Whereas, the department has almost expended its surplus account, and revenue shortfalls are imminent; now, therefore, be it

Ordered, the Senate concurring, subject to the Legislative Council's review and determinations hereinafter provided, that a Select Committee on Fisheries and Wildlife be established, comprised of 9 members to be constituted and appointed as follows: One member of the Joint Standing Committee on Appropriations and Financial Affairs; one member of the Joint Standing Committee on Taxation; one member of the Joint Standing Committee on State Government; 2 members of the Joint Standing Committee on Fisheries and Wildlife; 2 members of the public/sportman's associations; and 2 members of the public/representing environmental organizations, all of whom shall be appointed by joint agreement of the President of the Senate and Speaker of the House, of Representatives and be it further

Ordered, that the committee meet with the Department of Inland Fisheries and Wildlife to review operation and finances of the department; and be it further

Ordered, that the committee shall consider, among other issues, alternatives for the long-term financing of the department; and be

it further

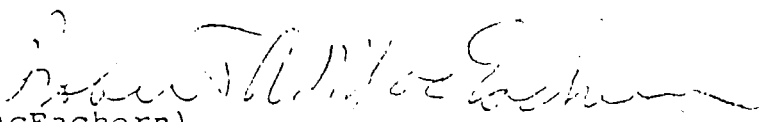
Ordered, that the committee shall report its findings and recommendations, together with all necessary implementing legislation in accordance with the Joint Rules, to the Legislative Council for submission in final form at the Second Regular Session of the 109th Legislature; and be it further

Ordered, that the committee shall hold its organizational meeting upon the call of the President of the Senate, and shall choose a chairman from among its membership, and shall organize its study at that time; and be it further

Ordered, that the members of the committee shall serve without compensation, but may be reimbursed for their reasonable expenses in attending meetings, procuring supplies, correspondence and other related and necessary expenditures subject to approval of the Legislative Council; and be it further

Ordered, that the Legislative Council, before implementing this study and determining an appropriate level of funding, shall first ensure that this directive can be accomplished within the limits of available resources, that it is combined with other initiatives similar in scope to avoid duplication and that its purpose is within the best interests of the State; and be it further

Ordered, upon passage in concurrence, that a suitable copy of this Order be forwarded to each member appointed to the committee and to the Commissioner of Inland Fisheries and Wildlife.


(MacEachern)

Name:

H-1517

15-B

Town: Lincoln

State of Maine

(5038) *3rd Session*
Ord 10/1/80

In the Year of our Lord, Nineteen Hundred and eighty.

An Act to Promote Hunting, Fishing and Camping
in Maine.

Be it enacted by the People of the State of Maine, as follows:

~~12~~ - 12 MRSA §7034, sub-§8 is enacted to read:

8. Promotion of hunting, fishing and camping. The commissioner shall implement a program designed to promote fisheries and wildlife resources and attract hunters, fishermen, campers and other tourists to the State. This program may include coordination of activities between the public and private sectors and utilization of promotional missions, exhibits, brochures, technical assistance and expertise as necessary to develop and promote hunting, fishing and camping activities within the State. The commissioner shall coordinate this program with the activities of the State Development Office and the Maine Publicity Bureau.

Statement of Fact

This bill directs the commissioner of Inland Fisheries and Wildlife to develop a program to actively promote hunting, fishing and camping in Maine. This promotional effort is necessary because of the increased competition among states for tourism and recreation-related industry. Non-resident hunting and fishing license sales have declined over the last 10 years. The promotional program required by this bill will increase revenues to the Department of Inland Fisheries and Wildlife and other recreation-related industry as well.

State of Maine

Com. on Fisheries and Wildlife

5039

In the Year of our Lord, Nineteen Hundred and eighty.

An Act to Create a Harvest Fee for Big Game.

Be it enacted by the People of the State of Maine, as follows:

Sec. 1. 12 MRSa §7451, sub-§2, as enacted by PL 1979, c. 420, §1, is repealed and the following enacted in its place:

2. Registration and harvest fees. The commissioner shall establish bear registration stations for the purpose of registering all bear killed and collecting harvest fees.

A. The commissioner shall designate an agent to be in charge of each registration station.

B. The commissioner shall publish a list of registration stations in one or more daily newspapers of the State.

C. Any person who kills a bear

shall pay a harvest fee. ←—————→ This harvest fee shall be \$25.50 for nonresidents and \$10.50 for residents. Upon payment of this fee, agents shall register every bear legally presented for registration.

D. Agents shall attach a metal seal to each bear in the manner directed and with the materials furnished by the commissioner.

E. Agents shall retain 50¢ for each bear registered.

Sec. 2. 12 MRSa §7457, sub-§2, as enacted by PL 1979, c. 420, §1, is repealed and the following enacted in its place:

2. Registration and harvest fees. The commissioner shall establish deer registration stations for the purpose of registering all deer killed and collecting harvest fees.

A. The commissioner shall designate an agent to be in charge

of each registration station.

B. The commissioner shall publish a list of registration stations in one or more daily newspapers of the State.

C. Any person who kills a deer
shall pay a harvest fee. Upon payment of this fee,
agents shall register every deer legally presented for registration. The fees are:

(1) Nonresident fee for deer.....\$12.50

(2) Resident fee for deer.....\$10.50

D. Agents shall attach a metal seal to each deer in the manner directed and with the materials furnished by the commissioner.

E. Agents shall retain 50¢ for each deer registered.

F. All deer killed under section 7102 shall be inspected by a warden before being registered under this subsection. If the warden finds ^{that} ~~the~~ deer has \longleftrightarrow been legally killed by bow and arrow, he shall approve the deer for registration.

Statement of Fact

Hunters are now required to register all deer and bear they bag and pay 25¢ for the registration seal. This bill creates a "harvest fee" rather than a registration fee for successful hunters. The fee is only paid by those actually harvesting the wildlife resource.

Trophy fees are as follows:

	<u>Nonresident</u>	<u>Resident</u>
Bear	\$25.50	\$10.50
Deer	12.50	10.50

The bill will raise approximately \$300,000 each year.

State of Maine

In the Year of our Lord, Nineteen Hundred and eighty.

[Handwritten notes and initials in the top right corner]

An Act to Increase Registration Fees for Watercraft.

Be it enacted by the People of the State of Maine, as follows:

Sec. 1. 12 MRSA §7794, sub-§4, ¶A, as enacted by PL 1979, c. 420, §1, is amended to read:

A. All watercraft requiring or requesting certificate of number.....\$5 \$15

Sec. 2. 12 MRSA §7795, sub-§3, as enacted by PL 1979, c. 420, §1, is amended to read:

3. Fee. The fee for a dealer's certificate of number is ~~\$10~~ \$25.

Statement of Fact

This bill increases watercraft registration fees from \$5 to \$15 for 3 years. It also raises the fee for dealer's certificates from \$10 to \$25. The bill will raise an average of approximately \$260,000 per year for the Department of Inland Fisheries and Wildlife and \$87,000 for the Department of Marine Resources.

State of Maine

In the Year of our Lord, Nineteen Hundred and eighty.

Handwritten notes and stamps in the top right corner, including a circular stamp with the number 177.

An Act to Increase Trapping Fees.

Be it enacted by the People of the State of Maine, as follows:

~~K~~ 12 MRSA §7131, sub-§1, as amended by PL 1979, c. 543, §12, is repealed and the following enacted in its place:

1. Schedule of fees.

- A. Resident junior trapping.....\$ 15
(under 18 years of age)
- B. Resident trapping.....\$ 25
(18 years of age or older)
- C. Nonresident trapping.....\$300

Statement of Fact

This bill increases trapping license fees. It would raise approximately \$42,000 annually. It also creates a junior trapping license for residents under 18 years of age.

State of Maine

In the Year of our Lord, Nineteen Hundred and eighty.

An Act to Create a Woodcock Hunting Stamp.

Be it enacted by the People of the State of Maine, as follows:

12 MRSA §7107 is enacted to read:

§7107. Woodcock hunting permit

1. Issuance. The commissioner or his authorized agent shall issue a woodcock hunting permit in the form of a stamp to applicants 16 years of age or older, permitting them to hunt or possess woodcock. Persons under 16 years of age may, without such a permit, hunt or possess woodcock in accordance with chapters 701 to 721.

2. Fee. The fee for a woodcock hunting permit shall be \$5.25, 25¢ of which shall be retained by the agent.

3. Validation. A woodcock hunting permit is valid by the permittee's writing his signature/
in ink
across the face of the stamp.

4. Restrictions.

A. A woodcock hunting permit shall be exhibited to any warden or employee of the department upon request.

B. Permittees shall keep an unexpired, validated woodcock hunting permit on their persons when hunting or possessing any woodcock.

5. Repealed. This section is repealed on January 1, 1984.

Statement of Fact

This bill requires a special stamp for hunting woodcock, similar to the existing pheasant stamp requirement. It is estimated that this bill will raise approximately \$45,000 each year. The requirement for the stamp will be terminated in 3 years.

State of Maine

In the Year of our Lord, Nineteen Hundred and eighty.

An Act to Create a Combination Nonresident Hunting and Fishing License.

Be it enacted by the People of the State of Maine, as follows:

§ - - 12 MRSA §7101, sub-§5, ¶I is enacted to read:

I. <u>Nonresident combination hunting and fishing</u>	
<u>license.....</u>	<u>\$85.50</u>

Statement of Fact

This bill creates a combination nonresident hunting and fishing license. The combination license will encourage nonresidents to participate in both pursuits and increase revenues to the Department of Inland Fisheries and Wildlife.

State of Maine

In the Year of our Lord, Nineteen Hundred and eighty.

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An Act to appropriate Funds to the Department of Inland Fisheries and Wildlife.

Be it enacted by the People of the State of Maine, as follows:

Appropriation. The following funds are \longleftrightarrow appropriated from the General Fund to carry out the purposes of this Act.

1980-81

INLAND FISHERIES AND WILDLIFE,
DEPARTMENT OF

All Other	\$1,000,000
-----------	-------------

Statement of Fact

The Department of Inland Fisheries and Wildlife is undergoing a severe fiscal crisis and soon will be completely out of money. Dedicated revenues from licenses and fees have simply not kept pace with rising costs due to inflation. Without additional revenues, the department will have completely expended available funds by this September. The department has severely cut back new programs, capital expenditures and miscellaneous accounts, such as travel. Further cuts, however, will have to be in personnel. To avoid either this or the need to call a Special Session of the Legislature, this bill will transfer \$1,000,000 from the General Fund to the fish and wildlife account. The money will not be expended, however, unless it is absolutely necessary.

For many years the department has provided many important services to the people of the State, such as searching for lost persons and enforcing environmental laws. It has been funded, however, almost entirely by sportsmen through hunting and fishing license sales. This one-time transfer from the General Fund to alleviate the present crisis represents a small fraction of the cost of accrued services provided by the department to the general public.

State of Maine

*Copy of
H. J. White
5-20-74*

In the Year of our Lord, ~~Nineteen~~ Hundred and eighty.

An Act to Encourage Retirement of Wardens in the Department of Inland Fisheries and Wildlife.

Be it enacted by the People of the State of Maine, as follows:

Sec. 1. 5 MRSA §1121, sub-§1, ¶D, first ¶, last sentence, as repealed and replaced by PL 1977, c. 580, §7, is amended to read:

The total amount of the service retirement allowance of a law enforcement officer, retired in accordance with this paragraph, shall be equal to 1/2 of his average final compensation and an additional 2% of his average final compensation for each year of membership service not included in determining eligibility for retirement under this paragraph, except that the retirement allowance of a law enforcement officer in the Department of Inland Fisheries and Wildlife shall be equal to 1/2 of his current annual salary and an additional 2% of his current annual salary for each year of membership service not included in determining eligibility for retirement under the preceding paragraph.

Sec. 2. Repeal. This Act is ~~to be~~ repealed 60 days after its effective date.

Statement of Fact

q The Department of Inland Fisheries and Wildlife is undergoing a severe financial crisis and this addition would encourage attrition through retirement of approximately fourteen members of the Warden Service who, because of salary increases attained by the recently negotiated employees contract, are not planning to retire. If the entire fourteen members were to take advantage of this special act, the annual savings, based on current salaries while not including capital equipment and operating costs, would be \$397,107.15.

In the Year of our Lord, Nineteen Hundred and eighty.

An Act to Create an Inland Fisheries and Wildlife Fund and Authorize the Commissioner to Charge other State Agencies for Services Rendered.

Be it enacted by the People of the State of Maine, as follows:

Sec. 1. 12 MRSA §7035, sub-§§ 11 and 12 are enacted to read:

11. Charges. The commissioner shall have the authority to levy appropriate charges against state agencies utilizing services provided by the department for enforcement of the following:

- A. Title 7, Part 8, Dogs;
- B. Title 12, chapter 206-A, Use Regulation;
- C. Title 17, chapter 80, Litter Control; and
- D. Title 38, chapter 3, Protection and Improvement of Waters.

The charges shall be fixed in a schedule prepared and revised by the commissioner and shall be supported and explained by information sufficient to justify their need.

12. Acceptance of funds. The commissioner shall accept and administer all private, state and federal funds, including gifts and grants to carry out the purposes of chapters 701 to 721.

Sec. 2. 12 MRSA c. 704 is enacted to read:

CHAPTER 704

INLAND FISHERIES AND WILDLIFE FUND

§7041. Establishment

There is established an Inland Fisheries and Wildlife Fund to be used by the department. All moneys for this fund shall be deposited in the State Treasury. Interest earned on funds of the Department of Inland Fisheries and Wildlife shall be credited to that department.

§7042. Funds

The fund shall include, but not be limited to:

1. License and permit fees. All funds derived from the sale of licenses and permits under chapter 707;
2. Fish and wildlife penalties. All fines, penalties, fees, officer costs and all other moneys received, collected or recovered by the court or the department under any provisions of chapters 701 to 721;
3. Other penalties. Any fees, fines and penalties recovered by the court from any prosecution by wardens pursuant to their acting, under section 7053, subsection 3, with the same powers and duties as sheriffs;
4. Income. Moneys received from the sale, lease or rental of department-owned property;
5. General funds. Any General Fund appropriation to the department;
6. Charges to other departments. Any funds received under section 7035 for services rendered to other state agencies; and
7. Contributions. Any contributions to the department.

§7043. Purposes

The Inland Fisheries and Wildlife Fund shall be used for:

1. Administration. Administration of the department;
2. Fish and wildlife. The protection, propagation, preservation and investigation of fish and wildlife;
3. Education. Conservation education; and
4. Other. Other expenses incident to the administration of these functions.

§7044. Unexpended funds

If any of these funds are not expended during the year in which they were collected, the unexpended balance shall not lapse, but shall be carried forward as a continuing account available for the purposes specified until expended.

Statement of Fact

This bill creates an Inland Fisheries and Wildlife Fund. Establishing this fund will make administration of fish and wildlife funds more simple, will credit the fund with interest earned on investments and will authorize the commissioner to charge other state agencies' costs for services rendered.

State of Maine

*Com. on
Fisheries and Wildlife
5047*

In the Year of our Lord, Nineteen Hundred and eighty.

An Act to Provide an Income Tax Checkoff for Voluntary Contributions to the Department of Inland Fisheries and Wildlife.

Be it enacted by the People of the State of Maine, as follows:

36 M RSA §5284 is enacted to read:

§5284. Voluntary contributions to fish and wildlife program

1. Findings and purpose. The Legislature finds that fish and wildlife resources are an important part of the heritage, economy and welfare of the State. The Legislature further finds that it is in the public interest to preserve and enhance the protected and other species of fish and wildlife through habitat acquisition, protection and wise management. This section is enacted to provide a means to finance this protection and management through a voluntary contribution on state income tax return forms.

2. Procedure. Every individual, who is entitled to a refund under this chapter, may designate that any portion of the refund be paid to the Department of Inland Fisheries and Wildlife. Every individual who is not entitled to a refund under this chapter may add any amount to his tax liability to be paid to the Department of Inland Fisheries and Wildlife.

3. Contributions credited to Department of Inland Fisheries and Wildlife. The State Tax Assessor shall determine annually the total amount designated pursuant to this section and shall report this amount to the Treasurer of State who shall credit this amount to the Department of Inland Fisheries and Wildlife.

4. Repealed. This section is repealed on January 1, 1984.

Statement of Fact

This bill will enable individuals receiving state income tax refunds to donate a portion of the refund to finance fish and wildlife management in Maine.

Currently, sportsmen who purchase hunting and fishing licenses finance the majority of the activities of the Department of Inland Fisheries and Wildlife. Many of the department's activities, however, are not directly related to hunting and fishing. These activities, benefiting the public at large, include enforcement of environmental laws, wildlife habitat acquisition and endangered species protection programs. The voluntary check-off contribution will give people who may not hunt or fish the opportunity to contribute towards these and other important programs. The provision will terminate after 3 years.

Several other states either have or are considering similar legislation. In Colorado about 10% of the individuals receiving refunds contribute an average of \$4.90. With similar participation in Maine, this bill could raise as much as \$100,000 each year for the Department of Inland Fisheries and Wildlife.

State of Maine

In the Year of our Lord, Nineteen Hundred and eighty.

An Act to Allocate 1/2 of 1% of the Sales and Use Tax to the Department of Inland Fisheries and Wildlife.

Be it enacted by the People of the State of Maine, as follows:

~~36~~ 36 MRSA §1907 is enacted to read:

§1907. Finding of fact; Disposition of revenues

The Legislature finds that a significant portion of the commercial and economic well-being of the State is dependent on fish and wildlife resources. It further finds that a substantial portion of retail sales are related to fishing, hunting, camping and other equipment related to these fish and wildlife resources. Therefore, the Legislature makes a finding of fact that at least one half of one percent of the revenues of the sales and use tax is paid by sportsmen. Based on this finding of fact, there is set aside one half of one percent of the total sales and use tax to be paid to the State Treasurer and credited to the Inland Fisheries and Wildlife Fund. These revenues shall be used by the Department of Inland Fisheries and Wildlife to protect, preserve and enhance the fish and wildlife resources of the State.

Statement of Fact

Hunting, fishing and other outdoor sports are a vital part of tourism, Maine's 2nd largest industry. A substantial part of the retail trade is related to and dependent on fish and wildlife resources. This bill allocates 1/2 of 1% of the sales and use tax revenues to the Department of Inland Fisheries and Wildlife to help manage this vital resource. The bill will raise approximately \$1,000,000 annually for the department.

State of Maine

507
11/11/80

In the Year of our Lord, Nineteen Hundred and eighty.

An Act to Create a Severance Tax on Minerals to Help Finance the Department of Inland Fisheries and Wildlife.

Be it enacted by the People of the State of Maine, as follows:

← - - 36 MRSA c. 719 is enacted to read:

CHAPTER 719

TAX ON SEVERANCE OF MINERALS

§4901. Definitions

As used in this chapter, unless the context indicates otherwise, the following terms have the following meanings.

1. Mineral. "Mineral" means all minerals, including, but not limited to, gas, oil, semiprecious stones and crystals, lime, stone and any rare earths which have heretofore been discovered or may be discovered in the future, which are contained in the soils or waters of this State. The term does not include sand and gravel.

2. Point of severance. "Point of severance" means that point at which the ←--> mineral being severed is identifiable as to kind and quality and is capable of being transported for use or further processing.

3. Producer. "Producer" means any person severing minerals from the soils and waters of this State.

4. Production. "Production," for measuring minerals, means the total gross amount severed from the soils and waters of this State from any type of production unit, including, but not limited to, mines, quarries, pits or other sites of extraction.

5. Severed. "Severed" means the extradition or withdrawal of any minerals from the soil or water of this State, either on or below the surface.

6. Site of severance. "Site of severance" means the mine, quarry, pit or other geographical location at which a mineral is actually being severed from the soils and waters of this State.

7. Taxable year. "Taxable year" means calendar year.

8. Value. "Value" means the sales price or true market price of the mineral at the point of severance. The true market price shall be determined by the average market price per ton of the mineral at the point of severance for the year for which the tax is being paid. This shall be determined by the assessor after notice and hearing to the taxpayers affected. In calculating or determining the true market price at the point of severance, it is the intent of the Legislature not to include any shipping, handling, processing or other charges arising between the point of severance and point of sale.

§4902. Levy of tax on severance of minerals

There is levied an excise tax on every person engaging in the business of severing minerals from the soils and waters of this state for commercial use. This tax shall be 2 percent of the value at the point of severance of the identifiable minerals severed. The proceeds of this tax, excluding the expenses of administering this chapter, shall be paid into the State Treasury and credited to the Inland Fisheries and Wildlife fund.

§4903. Administration

1. Taxes due. The taxes imposed by this chapter shall be due on April 15, 1981, for minerals severed in the prior taxable year and annually thereafter. The annual return shall be signed by the taxpayer or his duly authorized agent and shall be verified by oath. The return shall be filed on or before April 15th for the preceding taxable year and shall include the following:

A. The location of each site of severance operated or controlled by the taxpayer during the taxable period and the total number of acres in each site;

B. The kind and quantity of the minerals severed;

C. The value of the severed resources at the point of severance; and

D. Other information as the department may require.

2. Estimated tax. For the taxable year commencing January 1, 1981, and all subsequent taxable years, every taxpayer shall make a declaration of estimated tax for the taxable year, in such form as the bureau shall prescribe. The term "estimated tax" means the amount the taxpayer estimates to be his tax under this ^{chapter} for the taxable year. A taxpayer may amend a declaration under regulations prescribed by the bureau.

← The declaration shall be filed on or before the first day of the fifth month of the taxable year. The estimated tax shall be paid in four equal installments. The first installment shall be paid at the time of the required filing of the declaration; the second and third installments shall be paid on or before the first day of the seventh and tenth months of the taxable year, respectively; and the fourth installment shall be paid on or before the first day of the next taxable year.

← If an amended declaration is filed, the remaining installments, if any, shall be ratably increased ←

to reflect the increase or decrease in the estimated tax occasioned by the amendment.

← Any amount paid as estimated tax shall be deemed assessed upon the due date for the taxpayer's return for the taxable year.

3. Interest and penalties. The taxpayer shall be liable for interest at the rate of 12 percent per year and for a penalty in an amount determined at the rate of 10 percent per year upon the amount of any underpayment of estimated tax.

← For purposes of this subsection, the amount of any underpayment of estimated tax shall be the excess of:

A. The amount of the installment which would be required to be paid if the estimated tax were equal to 80 percent of the tax shown on the return for the taxable year or, if no return were filed, 80 percent of the tax for such year, over

B. The amount, if any, of the installment paid on or before the last date prescribed for payment.

← The period of the underpayment for which interest and penalties shall apply shall commence on the date the installment was required to be paid and shall terminate on the date on which the amount of underpayment is paid. For the purposes of this paragraph, a payment of estimated tax on any installment date shall be considered a payment of any previous underpayment only to the extent this payment exceeds the amount of the installment determined under subsection 2.

← No penalty or interest for underpayment of any installment of estimated tax may be imposed if the total amount of all payments made on or before the last date prescribed for the payment of that installment equals or exceeds the amount which would have been required to be paid on or before this date if the estimated tax were the lesser of

↳ An amount equal to 80 percent of the tax finally due for the taxable year, or

↳ An amount equal to the tax shown on the taxpayer's return for the preceding taxable year, if a return show-

ing a liability for tax was filed by the taxpayer for the preceding year.

4. Confidentiality. The information contained in any tax return or declaration of any estimated taxes shall be confidential, This / ^{confidentiality} shall not be construed to prohibit the publication of statistics so classified as to prevent the identification of particular returns when more than one return is made by a particular segment of the industry and identification would adversely affect competitive conditions.

Statement of Fact

This bill creates a 2% severance tax on mineral extraction. Revenues from this assessment are to go to the Inland Fisheries and Wildlife Fund. While the bill would not raise appreciable revenues at the present time, it may be important as mineral exploration expands in the future.

State of Maine

In the Year of our Lord, Nineteen Hundred and eighty.

An Act to Permit the Department of Inland Fisheries and Wildlife to Borrow in Anticipation of Revenues.

Be it enacted by the People of the State of Maine, as follows:

5 MRSA §150, as last amended by PL 1975, c. 771, §46 and P&SL 1975, c. 147, Pt. C, §13, is further amended by adding at the end a new paragraph to read:

The Treasurer of State, with the approval of the Governor, may negotiate a temporary loan or loans for the Department of Inland Fisheries and Wildlife in anticipation of revenues. These loans shall be limited by the Constitution of Maine, Article IX, Section 14.

Statement of Fact

This bill will ← the Treasurer of State to borrow in anticipation of revenues for the Department of Inland Fisheries and Wildlife. This measure is needed because of the dire financial situation the department currently faces. The department anticipates that borrowing will not be used unless absolutely necessary.

of Maine
The Constitution/provides that, with some exceptions such as approval/bonding and wartime emergencies, the Legislature shall not create any debts that exceed \$2,000,000 in the aggregate. This restriction would apply to borrowing for the Department of Inland Fisheries and Wildlife.