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Nauman  
4/28/16

**CS FOR HOUSE BILL NO. 251(FIN)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-NINTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:  
Referred:

Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act removing the minimum and maximum restrictions on the annual base fee for  
2 the issuance or renewal of an entry permit or an interim-use permit; increasing certain  
3 fisheries business taxes and the fisheries landing tax; relating to refunds of the fisheries  
4 business tax and fisheries landing tax to local governments; and providing for an  
5 effective date."

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

7 \* **Section 1.** AS 16.43.160(c) is amended to read:

8 (c) The annual base fee for issuance or renewal of an entry permit or an  
9 interim-use permit [MAY NOT BE LESS THAN \$30 OR MORE THAN \$3,000. THE  
10 ANNUAL BASE FEE] must reasonably reflect the different rates of economic return  
11 for different fisheries. In addition to the annual base fee established by the commission  
12 under this subsection, a nonresident shall pay an annual nonresident surcharge for the  
13 issuance or renewal of one or more entry permits or interim-use permits. The

commission shall establish the annual nonresident surcharge by regulation [AT AN AMOUNT THAT IS AS CLOSE AS IS PRACTICABLE TO THE MAXIMUM ALLOWED BY LAW].

\* **Sec. 2.** AS 43.75.015(a) is amended to read:

(a) A person engaged in a fisheries business is liable for and shall pay the tax levied by this section on the value of each of the following fisheries resources processed during the year at the rate set out after each:

(1) salmon canned at a shore-based fisheries business - **five** [FOUR AND ONE-HALF] percent;

(2) salmon processed by a shore-based fisheries business, except salmon for which the tax is due under (1) of this subsection, and all other fisheries resources processed by a shore-based fisheries business - **four** [THREE] percent;

(3) fisheries resources processed by a floating fisheries business - **six** [FIVE] percent.

\* **Sec. 3.** AS 43.75.015(b) is amended to read:

(b) Instead of the taxes levied by (a) of this section, a person who processes a developing commercial fish species is liable for and shall pay a tax equal to

(1) **four** [ONE] percent of the value of the developing commercial fish species processed by a shore-based fisheries business during the year; and

(2) **four** [THREE] percent of the value of the developing commercial fish species processed by a floating fisheries business during the year.

\* **Sec. 4.** AS 43.75.015(d) is amended to read:

(d) Instead of the taxes levied under (a) or (b) of this section, a person who processes a fishery resource under a direct marketing fisheries business license is liable for and shall pay a tax equal to

(1) **four** [ONE] percent of the value of the developing commercial fish species processed during the year; and

(2) **four** [THREE] percent of the value of a commercial fish species not subject to (1) of this subsection.

\* **Sec. 5.** AS 43.75.030(b) is amended to read:

(b) The return shall be made on **a** [THE BASIS OF THE] calendar year **basis**

1 **and submitted** to the department [AT JUNEAU] before April 1 after the close of the  
2 calendar year.

3 \* **Sec. 6.** AS 43.75.130(a) is amended to read:

4 (a) **The amount of tax revenue equal to one percent of the value of each**  
5 **fishery taxed under this chapter shall be deposited into the general fund.** Except  
6 as provided in (d) of this section, **and not including the revenue equal to one**  
7 **percent of the value of each fishery taxed under this chapter and deposited in the**  
8 **general fund under this subsection,** the commissioner shall pay

9 (1) to each unified municipality and to each city located in the  
10 unorganized borough, 50 percent of the amount of tax revenue collected in the  
11 municipality from taxes levied under this chapter;

12 (2) to each city located within a borough, 25 percent of the amount of  
13 tax revenue collected in the city from taxes levied under this chapter; and

14 (3) to each borough

15 (A) 50 percent of the amount of tax revenue collected in the  
16 area of the borough outside cities from taxes levied under this chapter; and

17 (B) 25 percent of the amount of tax revenue collected in cities  
18 located within the borough from taxes levied under this chapter.

19 \* **Sec. 7.** AS 43.77.010 is amended to read:

20 **Sec. 43.77.010. Landing tax.** A person who engages or attempts to engage in a  
21 floating fisheries business in the state and who owns a fishery resource that is not  
22 subject to AS 43.75 but that is brought into the jurisdiction of, and first landed in, this  
23 state is liable for and shall pay a landing tax on the value of the fishery resource. The  
24 amount of the landing tax is

25 (1) for a developing commercial fish species, as defined under  
26 AS 43.75.290, **four** [ONE] percent of the value of the fishery resource at the place of  
27 landing;

28 (2) for a fish species other than a developing commercial fish species,  
29 **four** [THREE] percent of the value of the fishery resource at the place of the landing.

30 \* **Sec. 8.** AS 43.77.060(a) is amended to read:

31 (a) **The amount of tax revenue equal to one percent of the value of each**

**fishery taxed under this chapter shall be deposited into the general fund.** Subject to appropriation by the legislature and except as provided in (b) of this section, **and not including the revenue equal to one percent of the value of each fishery taxed under this chapter and deposited in the general fund under this subsection,** the commissioner shall pay to each

(1) unified municipality and to each city located in the unorganized borough, 50 percent of the amount of tax revenue collected from taxes levied under this chapter on the fishery resource landed in the municipality and accounted for under AS 43.77.050(b);

(2) city located within a borough, 25 percent of the amount of the tax revenue collected from taxes levied under this chapter on fishery resources landed in the city and accounted for under AS 43.77.050(b); and

(3) borough

(A) 50 percent of the amount of the tax revenue collected from taxes levied under this chapter on fishery resources landed in the area of the borough outside cities and accounted for under AS 43.77.050(b); and

(B) 25 percent of the amount of the tax revenue collected from taxes levied under this chapter on fishery resources landed in cities located within the borough and accounted for under AS 43.77.050(b).

\* **Sec. 9.** AS 43.77.060(b) is amended to read:

(b) **The amount of tax revenue equal to one percent of the value of each fishery taxed under this chapter shall be deposited into the general fund.** Notwithstanding the provisions of (a)(2) and (a)(3)(B) of this section, and subject to appropriation by the legislature, **and not including the revenue equal to one percent of the value of each fishery taxed under this chapter and deposited in the general fund under this subsection,** the commissioner shall pay to each

(1) city that is located in a borough incorporated after January 1, 1994, the following percentages of the tax revenue collected from taxes levied under this chapter on fishery resources landed in the city and accounted for under AS 43.77.050(b):

(A) 45 percent of the tax revenue collected during the calendar

year in which the borough is incorporated;

(B) 40 percent of the tax revenue collected during the first calendar year after the calendar year in which the borough is incorporated;

(C) 35 percent of the tax revenue collected during the second calendar year after the calendar year in which the borough is incorporated; and

(D) 30 percent of the tax revenue collected during the third calendar year after the calendar year in which the borough is incorporated; and

(2) borough that is incorporated after January 1, 1994, the following percentages of the tax revenue collected from taxes levied under this chapter on fishery resources landed in the cities located within the borough and accounted for under AS 43.77.050(b):

(A) five percent of the tax revenue collected during the calendar year in which the borough is incorporated;

(B) 10 percent of the tax revenue collected during the first calendar year after the calendar year in which the borough is incorporated;

(C) 15 percent of the tax revenue collected during the second calendar year after the calendar year in which the borough is incorporated; and

(D) 20 percent of the tax revenue collected during the third calendar year after the calendar year in which the borough is incorporated.

**\* Sec. 10.** The uncoded law of the State of Alaska is amended by adding a new section to read:

APPLICABILITY. (a) AS 43.75.015(a), as amended by sec. 2 of this Act, AS 43.75.015(b), as amended by sec. 3 of this Act, and AS 43.75.015(d), as amended by sec. 4 of this Act, apply to a fisheries resource processed on or after the effective date of secs. 2 - 4 of this Act.

(b) AS 43.77.010, as amended by sec. 7 of this Act, applies to a fisheries resource landed in the state on or after the effective date of sec. 7 of this Act.

**\* Sec. 11.** The uncoded law of the State of Alaska is amended by adding a new section to read:

TRANSITIONAL PROVISION: REGULATIONS. The Department of Revenue may adopt regulations necessary to implement the changes made by secs. 1 - 9 of this Act. The

1 regulations take effect under AS 44.62 (Administrative Procedure Act), but not before the  
2 effective date of the law implemented by the regulation.

3 \* **Sec. 12.** Section 11 of this Act takes effect immediately under AS 01.10.070(c).

4 \* **Sec. 13.** Except as provided in sec. 12 of this Act, this Act takes effect July 1, 2016.