

**SENATE BILL NO. 135**

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FOURTH LEGISLATURE - FIRST SESSION

**BY THE SENATE RULES COMMITTEE BY REQUEST OF THE JOINT LEGISLATIVE TASK FORCE  
EVALUATING ALASKA'S SEAFOOD INDUSTRY**

**Introduced: 3/18/25**

**Referred: Resources, Finance**

**A BILL**

**FOR AN ACT ENTITLED**

1   **"An Act relating to the sharing of tax revenue from the fisheries business tax and**  
2   **fishery resource landing tax with municipalities; relating to municipal reports on the**  
3   **shared tax revenue; and providing for an effective date."**

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

5       **\* Section 1.** The uncodified law of the State of Alaska is amended by adding a new section  
6   to read:

7           LEGISLATIVE INTENT. It is the intent of the legislature that a municipality use the  
8   additional revenue distributed under this Act to help maintain and improve the municipality's  
9   harbor facilities.

10       **\* Sec. 2.** AS 43.75.130(a) is amended to read:

11           (a) **Subject to appropriation by the legislature, and except** [EXCEPT] as  
12   provided in (d) of this section, the commissioner shall pay

13                   (1) to each unified municipality and to each city located in the  
14   unorganized borough, **60** [50] percent of the amount of tax revenue collected in the

1 municipality from taxes levied under this chapter;

2 (2) to each city located within a borough, 35 [25] percent of the  
3 amount of tax revenue collected in the city from taxes levied under this chapter; and

4 (3) to each borough

5 (A) 60 [50] percent of the amount of tax revenue collected in  
6 the area of the borough outside cities from taxes levied under this chapter; and

7 (B) 35 [25] percent of the amount of tax revenue collected in  
8 cities located within the borough from taxes levied under this chapter.

9 \* **Sec. 3.** AS 43.75.130(a), as amended by sec. 2 of this Act, is amended to read:

10 (a) Subject to appropriation by the legislature, and except as provided in (d) of  
11 this section, the commissioner shall pay

12 (1) to each unified municipality and to each city located in the  
13 unorganized borough, 50 [60] percent of the amount of tax revenue collected in the  
14 municipality from taxes levied under this chapter;

15 (2) to each city located within a borough, 25 [35] percent of the  
16 amount of tax revenue collected in the city from taxes levied under this chapter; and

17 (3) to each borough

18 (A) 50 [60] percent of the amount of tax revenue collected in  
19 the area of the borough outside cities from taxes levied under this chapter; and

20 (B) 25 [35] percent of the amount of tax revenue collected in  
21 cities located within the borough from taxes levied under this chapter.

22 \* **Sec. 4.** AS 43.75.130(d) is amended to read:

23 (d) Notwithstanding the provisions of (a)(2) and (a)(3)(B) of this section, **and**  
24 **subject to appropriation by the legislature,** the commissioner shall pay

25 (1) to each city that is located in a borough incorporated after June 16,  
26 1987, the following percentages of the tax revenue collected in the city from taxes  
27 levied under this chapter:

28 (A) 55 [45] percent of the taxes collected during the calendar  
29 year in which the borough is incorporated;

30 (B) 50 [40] percent of the taxes collected during the first  
31 calendar year after the calendar year in which the borough is incorporated;

(C) 45 [35] percent of the taxes collected during the second calendar year after the calendar year in which the borough is incorporated; and

(D) 40 [30] percent of the taxes collected during the third calendar year after the calendar year in which the borough is incorporated; and

(2) to each borough that is incorporated after June 16, 1987, the following percentages of the tax revenue collected in the cities located within the borough from taxes levied under this chapter:

(A) 7.5 [5] percent of the taxes collected during the calendar year in which the borough is incorporated;

(B) 15 [10] percent of the taxes collected during the first calendar year after the calendar year in which the borough is incorporated;

(C) 25 [15] percent of the taxes collected during the second calendar year after the calendar year in which the borough is incorporated; and

(D) 30 [20] percent of the taxes collected during the third calendar year after the calendar year in which the borough is incorporated.

\* **Sec. 5.** AS 43.75.130(d), as amended by sec. 4 of this Act, is amended to read:

(d) Notwithstanding the provisions of (a)(2) and (a)(3)(B) of this section, and subject to appropriation by the legislature, the commissioner shall pay

(1) to each city that is located in a borough incorporated after June 16, 1987, the following percentages of the tax revenue collected in the city from taxes levied under this chapter:

(A) 45 [55] percent of the taxes collected during the calendar year in which the borough is incorporated;

(B) 40 [50] percent of the taxes collected during the first calendar year after the calendar year in which the borough is incorporated;

(C) 35 [45] percent of the taxes collected during the second calendar year after the calendar year in which the borough is incorporated; and

(D) 30 [40] percent of the taxes collected during the third calendar year after the calendar year in which the borough is incorporated; and

(2) to each borough that is incorporated after June 16, 1987, the following percentages of the tax revenue collected in the cities located within the

borough from taxes levied under this chapter:

(A) five [7.5] percent of the taxes collected during the calendar year in which the borough is incorporated;

(B) 10 [15] percent of the taxes collected during the first calendar year after the calendar year in which the borough is incorporated;

(C) 15 [25] percent of the taxes collected during the second calendar year after the calendar year in which the borough is incorporated; and

(D) 20 [30] percent of the taxes collected during the third calendar year after the calendar year in which the borough is incorporated.

\* **Sec. 6.** AS 43.75.137 is amended to read:

**Sec. 43.75.137. Additional refund.** Subject to appropriation by the legislature [TO THE EXTENT THAT APPROPRIATIONS ARE AVAILABLE FOR THE PURPOSE, AND NOTWITHSTANDING THE REQUIREMENT OF AS 37.07.080(e) THAT APPROVAL OF THE OFFICE OF MANAGEMENT AND BUDGET IS REQUIRED], an amount equal to 75 [50] percent of the tax revenue that is collected under this chapter from fisheries businesses and that is not subject to division with a municipality under AS 43.75.130 shall be paid by [TRANSMITTED EACH FISCAL YEAR, WITHOUT THE APPROVAL OF THE OFFICE OF MANAGEMENT AND BUDGET, BY THE DEPARTMENT TO] the Department of Commerce, Community, and Economic Development [FOR DISBURSAL] to eligible municipalities under AS 29.60.450.

\* **Sec. 7.** AS 43.75.137, as amended by sec. 6 of this Act, is amended to read:

**Sec. 43.75.137. Additional refund.** Subject to appropriation by the legislature, an amount equal to 50 [75] percent of the tax revenue that is collected under this chapter from fisheries businesses and that is not subject to division with a municipality under AS 43.75.130 shall be paid by the Department of Commerce, Community, and Economic Development to eligible municipalities under AS 29.60.450.

\* **Sec. 8.** AS 43.75 is amended by adding a new section to article 3 to read:

**Sec. 43.75.150. Municipal reports to the legislature.** (a) Not more than 30 days after the convening of each regular legislative session, a municipality that receives tax revenue under AS 43.75.130 - 43.75.137 shall prepare and submit to the

1 legislature a report that describes

2 (1) how those funds were used by the municipality in the previous  
3 fiscal year; and

4 (2) any harbor maintenance or improvement projects that were funded  
5 in whole or in part by the tax revenue collected under AS 43.75.130 - 43.75.137.

6 (b) The report required under (a) of this section may be made jointly with the  
7 report required under AS 43.77.060(f).

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

9 (a) Subject to appropriation by the legislature and except as provided in (b) of  
10 this section, the commissioner shall pay to each

11 (1) unified municipality and to each city located in the unorganized  
12 borough 75 [, 50] percent of the amount of tax revenue collected from taxes levied  
13 under this chapter on the fishery resource landed in the municipality and accounted for  
14 under AS 43.77.050(b);

15 (2) city located within a borough 35 [, 25] percent of the amount of the  
16 tax revenue collected from taxes levied under this chapter on fishery resources landed  
17 in the city and accounted for under AS 43.77.050(b); and

18 (3) borough

19 (A) 75 [50] percent of the amount of the tax revenue collected  
20 from taxes levied under this chapter on fishery resources landed in the area of  
21 the borough outside cities and accounted for under AS 43.77.050(b); and

22 (B) 35 [25] percent of the amount of the tax revenue collected  
23 from taxes levied under this chapter on fishery resources landed in cities  
24 located within the borough and accounted for under AS 43.77.050(b).

25 \* **Sec. 10.** AS 43.77.060(a), as amended by sec. 9 of this Act, is amended to read:

26 (a) Subject to appropriation by the legislature and except as provided in (b) of  
27 this section, the commissioner shall pay to each

28 (1) unified municipality and to each city located in the unorganized  
29 borough 50 [75] percent of the amount of tax revenue collected from taxes levied  
30 under this chapter on the fishery resource landed in the municipality and accounted for  
31 under AS 43.77.050(b);

(2) city located within a borough 25 [35] 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 [75] 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 [35] 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. 11.** AS 43.77.060(b) is amended to read:

(b) Notwithstanding the provisions of (a)(2) and (a)(3)(B) of this section, and subject to appropriation by the legislature, 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) 50 [45] percent of the tax revenue collected during the calendar year in which the borough is incorporated;

(B) 50 [40] percent of the tax revenue collected during the first calendar year after the calendar year in which the borough is incorporated;

(C) 50 [35] percent of the tax revenue collected during the second calendar year after the calendar year in which the borough is incorporated; and

(D) 50 [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) 10 [FIVE] percent of the tax revenue collected during the

1           calendar year in which the borough is incorporated;

2                       (B) 20 [10] percent of the tax revenue collected during the first  
3           calendar year after the calendar year in which the borough is incorporated;

4                       (C) 25 [15] percent of the tax revenue collected during the  
5           second calendar year after the calendar year in which the borough is  
6           incorporated; and

7                       (D) 35 [20] percent of the tax revenue collected during the third  
8           calendar year after the calendar year in which the borough is incorporated.

9       \* **Sec. 12.** AS 43.77.060(b), as amended by sec. 11 of this Act, is amended to read:

10           (b) Notwithstanding the provisions of (a)(2) and (a)(3)(B) of this section, and  
11           subject to appropriation by the legislature, the commissioner shall pay to each

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

16                       (A) 45 [50] percent of the tax revenue collected during the  
17           calendar year in which the borough is incorporated;

18                       (B) 40 [50] percent of the tax revenue collected during the first  
19           calendar year after the calendar year in which the borough is incorporated;

20                       (C) 35 [50] percent of the tax revenue collected during the  
21           second calendar year after the calendar year in which the borough is  
22           incorporated; and

23                       (D) 30 [50] percent of the tax revenue collected during the third  
24           calendar year after the calendar year in which the borough is incorporated; and

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

29                       (A) five [10] percent of the tax revenue collected during the  
30           calendar year in which the borough is incorporated;

31                       (B) 10 [20] percent of the tax revenue collected during the first

1 calendar year after the calendar year in which the borough is incorporated;

2 (C) 15 [25] percent of the tax revenue collected during the  
3 second calendar year after the calendar year in which the borough is  
4 incorporated; and

5 (D) 20 [35] percent of the tax revenue collected during the third  
6 calendar year after the calendar year in which the borough is incorporated.

7 \* **Sec. 13.** AS 43.77.060(d) is amended to read:

8 (d) **Subject to appropriation by the legislature** [TO THE EXTENT THAT  
9 APPROPRIATIONS ARE AVAILABLE FOR THE PURPOSE, AND  
10 NOTWITHSTANDING THE REQUIREMENT OF AS 37.07.080(e) THAT  
11 APPROVAL OF THE OFFICE OF MANAGEMENT AND BUDGET IS  
12 REQUIRED], an amount equal to 75 [50] percent of the tax revenue that is collected  
13 under this chapter and that is not subject to division with a municipality under (a) - (c)  
14 of this section shall be paid by [TRANSMITTED EACH FISCAL YEAR,  
15 WITHOUT THE APPROVAL OF THE OFFICE OF MANAGEMENT AND  
16 BUDGET, BY THE DEPARTMENT TO] the Department of Commerce, Community,  
17 and Economic Development [FOR DISBURSAL] to eligible municipalities under  
18 AS 29.60.450.

19 \* **Sec. 14.** AS 43.77.060(d), as amended by sec. 13 of this Act, is amended to read:

20 (d) Subject to appropriation by the legislature, an amount equal to 50 [75]  
21 percent of the tax revenue that is collected under this chapter and that is not subject to  
22 division with a municipality under (a) - (c) of this section shall be paid by the  
23 Department of Commerce, Community, and Economic Development to eligible  
24 municipalities under AS 29.60.450.

25 \* **Sec. 15.** AS 43.77.060 is amended by adding a new subsection to read:

26 (f) Not more than 30 days after the convening of each regular legislative  
27 session, a municipality that receives tax revenue under this section shall prepare and  
28 submit to the legislature a report that describes how those funds were used by the  
29 municipality in the previous fiscal year and that details any harbor maintenance or  
30 improvement projects that were funded in whole or in part by that tax revenue. The  
31 report may be made jointly with the report required under AS 43.75.150.



1     \* **Sec. 16.** The uncodified law of the State of Alaska is amended by adding a new section to  
2 read:

3           APPLICABILITY. This Act applies to tax revenue collected by the Department of  
4 Revenue under AS 43.75 and AS 43.77 for the 2025 tax year and later tax years.

5     \* **Sec. 17.** Sections 8 and 15 of this Act take effect February 1, 2026.

6     \* **Sec. 18.** Sections 3, 5, 7, 10, 12, and 14 of this Act take effect July 1, 2035.

7     \* **Sec. 19.** Except as provided in secs. 17 and 18 of this Act, this Act takes effect January 1,  
8 2026.