

ALASKA STATE LEGISLATURE

JOINT LEGISLATIVE TASK FORCE

EVALUATING ALASKA'S SEAFOOD INDUSTRY

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Senate Bill 135

Sponsor Statement

Fish Tax Revenue Sharing with Municipalities

Alaska's coastal communities engaged in the seafood industry provide critical support in harvesting our seafood. This bill is targeted at deferred maintenance of and upgrades to our ports and harbors, and in turn to improve Alaska's seafood industrial infrastructure in the coastal communities that rely on it so heavily.

From the mid-1990s to mid-2000s, the State began to transfer ownership of its public harbors to municipalities on an "as-is" basis. Many of the harbors were aging and in need of extensive repair and/or replacement.

These harbor facilities came with a covenant that municipalities must operate and maintain the facilities for the use and benefit of the public. In the event the municipality fails to administer, maintain and operate the harbor facilities, title to the facilities will revert to the State of Alaska. In many instances, the initial state appropriations for repairs and upgrades to local harbors have not been sufficient to address the numerous deferred maintenance issues conveyed with them, requiring municipalities to place increasing burdens on their local treasuries.

The large majority of the communities who accepted the harbors from the State are communities that derive their main economic base from the seafood sector, and their harbor facilities are the lifeblood of the community.

Acknowledging a more fair balance of sharing the fisheries tax revenue with the communities that most directly affect generating the fisheries tax revenue is in the interest of the State. By reinvesting tax revenue into local infrastructure, we can strengthen coastal economies, support the seafood industry, and promote long-term resilience.

Thank you for your consideration of this important legislation.