

Fiscal Note

State of Alaska
2025 Legislative Session

Bill Version: SB 161
Fiscal Note Number: _____
() Publish Date: _____

Identifier: SB161-DOR-TAX-5-2-25
Title: PROHIBIT BOTTOM TRAWLING
Sponsor: CRONK
Requester: (S) RES

Department: Department of Revenue
Appropriation: Taxation and Treasury
Allocation: Tax Division
OMB Component Number: 2476

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

| | FY2026 | Included in | Out-Year Cost Estimates | | | | |
|-------------------------------|-------------------------|---------------------------|-------------------------|------------|------------|------------|------------|
| | Appropriation Requested | Governor's FY2026 Request | FY 2027 | FY 2028 | FY 2029 | FY 2030 | FY 2031 |
| OPERATING EXPENDITURES | FY 2026 | FY 2026 | | | | | |
| Personal Services | | | | | | | |
| Travel | | | | | | | |
| Services | | | | | | | |
| Commodities | | | | | | | |
| Capital Outlay | | | | | | | |
| Grants & Benefits | | | | | | | |
| Miscellaneous | | | | | | | |
| Total Operating | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

Fund Source (Operating Only)

| | | | | | | | |
|--------------|------------|------------|------------|------------|------------|------------|------------|
| None | | | | | | | |
| Total | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

Positions

| | | | | | | | |
|-----------|--|--|--|--|--|--|--|
| Full-time | | | | | | | |
| Part-time | | | | | | | |
| Temporary | | | | | | | |

Change in Revenues

| | | | | | | | |
|--------------|------------|------------|------------|------------|------------|------------|------------|
| None | *** | | *** | *** | *** | *** | *** |
| Total | *** | 0.0 | *** | *** | *** | *** | *** |

Estimated SUPPLEMENTAL (FY2025) cost: 0.0 *(separate supplemental appropriation required)*

Estimated CAPITAL (FY2026) cost: 0.0 *(separate capital appropriation required)*

Does the bill create or modify a new fund or account? No
(Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
If yes, by what date are the regulations to be adopted, amended or repealed? N/A

Why this fiscal note differs from previous version/comments:

Not applicable, initial version.

| | |
|---|-----------------------------|
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| Division: <u>Tax Division</u> | Date: <u>05/02/2025</u> |
| Approved By: <u>Janelle Earls, Administrative Services Director</u> | Date: <u>05/02/25</u> |
| Agency: <u>Department of Revenue</u> | |

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2025 LEGISLATIVE SESSION

BILL NO. SB161

Analysis

Background

This bill would prohibit the use of certain fishing gear in state waters that makes substantial bottom contact with the seafloor while in use.

This bill would have an indirect effect on tax revenue because it would limit what type of fishing can be done in state waters.

Alaska has two complementary fishery taxes—the Fisheries Business Tax, which is levied on businesses that process fishery resources in Alaska or export unprocessed fishery resources from Alaska; and the Fishery Resource Landing Tax, which is levied on fishery resources processed outside Alaska, but first landed in Alaska. This bill would only affect the former because the latter is caught outside Alaskan waters and the bill would not limit fishing gear outside of state waters.

Revenue Impact

The impact of this bill on the Fisheries Business Tax is indeterminate because there is uncertainty around how the restrictions would affect total catch. For instance, some of the foregone harvest could be captured through in-state fishing with other legal gear types, or through shifting harvest to beyond state waters.

The division's best estimate—assuming no change in fishing behavior—is that this bill could have a tax impact of about a \$200 thousand decrease. Roughly half of that amount would be unrestricted general fund and the other half is designated general fund that is traditionally shared with local communities where the fish is processed. To come up with this estimate, the division looked at species and gear types that would be impacted according to Fish and Game fish ticket data and the amount of fisheries business tax impact for 2024.

Implementation Cost

This bill would not require any changes to current systems and would have no cost to the Tax Division.