



March 21, 2019

House Community and Regional Affairs Committee,

The Petersburg Chamber of Commerce is strongly opposed to SB 63 / HB 65 – the repeal of Fisheries Business and Landing Tax. The Fisheries business and landing tax, as it is set up now, is an investment by the processors and fishermen into the community in which they operate, as well as the State. The taxes they pay, are shared back within the community they reside in; to support harbors, infrastructure, and quality of life. The tax dollars shared back - are invested in the harbors in the waterfront to attract fishermen to sell to them as processors. The tax dollars shared back - are invested in infrastructure that allow them to operate – supporting the municipality that oversees the utilities that are needed to function. The tax dollars shared back - are invested into quality of life options within the community that attract employees to work at their plant. It is a cycle that currently benefits many, private and public sector, locally, as well as the State.

Our town was built on fisheries – the fisherman who catch them, and the industry that purchases and processes them. Our town benefits from fisherman who raise their family here as well as the transient worker that is here seasonally to do a job. Disruption in the balance could negatively affect our town. Why would the processor choose to stay and pay those taxes to the State, when the local government is unable to invest in the infrastructure because the State no longer shares the tax revenue. Would you suggest we add an additional local tax to cover this investment? Why would the businesses stay within our local coastal communities?

The partnership of sharing fish taxes has benefited both the state and the local communities where the fishermen live. Taking the tax dollars out of the communities where the fisherman and processors reside, we believe, will encourage them to live somewhere else. We will see even more fishermen set up their home base in Washington and the PNW rather than the coastal communities of Alaska. With this bill, Petersburg would lose over \$800,000 in shared revenue from the fish taxes. Our Harbor is the primary recipient of this money – the loss of revenue would directly impact those that are contributing to the State through these fisheries and the taxes imposed on them.

The Petersburg Chamber of Commerce strongly opposes SB 63/ HB 65 and we urge you to vote NO on passing this bill forward.

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