

# Shared Fisheries Taxes and ~~Coastal~~ Alaska Communities



## Alaska Municipal League – Representing 165 Cities and Boroughs

Political subdivisions created by the State delegated with taxing authority to help fulfill State obligations

### Shared Fisheries Business Tax and Resource Landing Tax

- 50 municipalities affected by the loss of Shared Fisheries Business Tax, or 1/3 of all local governments in Alaska
- Almost every single House district affected, to varying degrees – a statewide issue
- Shared Fisheries Business Tax = **\$25,900,000**
- Shared Fisheries Resource Landing Tax = **\$6,300,000**



Savoonga  
Aleutians East Gustavus  
Valdez  
Point Mat-Su  
Kotzebue Kenai Peninsula Seward  
King Cove Adak Hoonah Hydaburg  
Houston Kodiak Unalaska Kenai  
Chignik Coffman Cove Larsen Bay Togiak  
Klawock False Pass Emmonak  
North Pole Ketchikan Sitka  
Saint Paul Homer Craig Akutan  
Yakutat Bristol Bay Sand Point  
Anchorage Atka Ketchikan Gateway  
Egegik Pilot Whittier Dillingham Pelican  
Kodiak Island Haines  
Kaltag Wrangell  
Soldotna Cordova Juneau Clark's Point  
Fairbanks North Star

Used by municipalities to:

- Operate/maintain ports and harbors
- Provide local contribution to education
- Support public safety and municipal-owned hospitals
- Maintain public works such as water, sewer, sanitation, solid waste
- Replace gaps in State capital investment
- Provide grants to local nonprofits and youth activities
- Offer quality of life programs – pools, libraries, parks
- Improve credit ratings



# Municipal Impact

# Hardest Hit - Total \$

Municipality	18FishBus	18FishLand	Fish total	Impact/taxrev	% of deficit
City & Borough of Yakutat	\$226,992	\$57,127	\$284,119	17.83%	0.0177574%
City & Borough of Wrangell	\$307,405		\$307,405	6.25%	0.0192128%
Haines Borough	\$352,884		\$352,884	5.66%	0.0220553%
Ketchikan Gateway Borough	\$414,413		\$414,413	2.20%	0.0259008%
City of Ketchikan	\$414,413		\$414,413	2.36%	0.0259008%
City of Dillingham	\$443,905		\$443,905	8.04%	0.0277441%
City & Borough of Juneau	\$447,875		\$447,875	0.43%	0.0279922%
City of Seward	\$456,144		\$456,144	6.61%	0.0285090%
City of Valdez	\$512,449		\$512,449	1.16%	0.0320281%
City of King Cove	\$564,174		\$564,174	33.04%	0.0352609%
City of Saint Paul	\$623,979		\$623,979	30.62%	0.0389987%
Kenai Peninsula Borough	\$860,097		\$860,097	0.85%	0.0537561%
City of Kodiak	\$859,223	\$21,419	\$880,642	6.67%	0.0550401%
City of Akutan	\$999,031		\$999,031	29.94%	0.0624394%
City & Borough of Sitka	\$1,279,885		\$1,279,885	6.55%	0.0799928%
City of Cordova	\$1,429,951		\$1,429,951	24.03%	0.0893719%
Aleutians East Borough	\$1,887,896		\$1,887,896	38.13%	0.1179935%
Kodiak Island Borough	\$1,742,302	\$177,159	\$1,919,461	10.39%	0.1199663%
Bristol Bay Borough	\$3,820,480		\$3,820,480	57.79%	0.2387800%
City of Unalaska	\$3,306,990	\$4,855,139	\$8,162,129	37.21%	0.5101331%

# Municipal Impact

# Hardest Hit - % Tax Rev

Municipality	18FishBus	18FishLand	Fish total	Impact/taxrev	% of deficit
City of Kodiak	\$859,223	\$21,419	\$880,642	6.67%	0.0550401%
City of Dillingham	\$443,905		\$443,905	8.04%	0.0277441%
Kodiak Island Borough	\$1,742,302	\$177,159	\$1,919,461	10.39%	0.1199663%
City & Borough of Yakutat	\$226,992	\$57,127	\$284,119	17.83%	0.0177574%
City of Sand Point	\$273,104		\$273,104	21.26%	0.0170690%
City of Atka	\$11,318		\$11,318	22.00%	0.0007074%
City of Adak	\$34,131	\$161,256	\$195,387	23.16%	0.0122117%
City of Emmonak	\$61,167		\$61,167	23.74%	0.0038229%
City of Cordova	\$1,429,951		\$1,429,951	24.03%	0.0893719%
City of Akutan	\$999,031		\$999,031	29.94%	0.0624394%
City of Saint Paul	\$623,979		\$623,979	30.62%	0.0389987%
City of King Cove	\$564,174		\$564,174	33.04%	0.0352609%
City of Unalaska	\$3,306,990	\$4,855,139	\$8,162,129	37.21%	0.5101331%
Aleutians East Borough	\$1,887,896		\$1,887,896	38.13%	0.1179935%
City of False Pass	\$51,588		\$51,588	41.95%	0.0032243%
Bristol Bay Borough	\$3,820,480		\$3,820,480	57.79%	0.2387800%
City of Togiak	\$73,227	\$91,786	\$165,013	107.03%	0.0103133%
City of Chignik	\$98,919		\$98,919	178.38%	0.0061824%
City of Larsen Bay	\$155,056		\$155,056	303.81%	0.0096910%

# Total Impact

- Top 37 = \$27,920,880
  - Representing 186,739 Alaskans, not including Anchorage = 25% of state
- Average impact = \$615,845
- Average fish tax impact as % of tax revenue = 29.82%

## Top 10 characteristics:

- Total population: 97,908                      100% PERS
- Total employees: 929                      7/Prop Tax                      6/Sales Tax
- Bond Debt: \$455,300,666 + \$131,489,219 School Bond Debt
- Combined contribute \$72,033,407 to school districts
- Hospitals: 3                      Police Powers: 6



# Total Impact

# By District

Senate	Total Fish
E	= \$546,938
F-N	= \$53,269
O	= \$1,442,426
P	= \$5,588,775
Q	= \$800,759
R	= \$2,600,153
S	= \$17,687,490
T	= \$61,167





- Taxes and or moorage fees increase
  - Seafood prices remain low or flat
  - Small vessels and business owners become unviable
  - Sell off of local, small vessels to larger fleets
  - Fleet consolidation benefits accrue to outside owners
- Maintenance and repair of ports and harbors diminished
  - State-transferred assets increasingly unable to serve seafood or tourist industry
- Additional taxes considered, where none exist
  - Duplicate industry taxing, and decreased economic growth



# Total Impact

# By Community

Community	Jobs	Program Reductions	Programs Elim.	Tax Increase
Kodiak	14	Public Safety/Works by 8%	Library/Parks and Rec	↑
Dillingham	25%	Reductions in all or most departments/services		↑
Kenai	TBD	Eliminate skiing, skating, parks and rec		.63 mills ↑
Atka	4	Reduce public safety 100%, Public works 40%		no tax possible
Petersburg		Moorage fees increase, Parks and rec reduced		1.7 to 4.35 ↑
St. Paul	3-4	Public safety 7%, Public works 19%		90-95% ↑
Yakutat	17%	Public safety and public works 20%		300% ↑
Seldovia	2	Public safety/public works 13%, senior meals, water quality		

# Choices Combined

# Micro Implications

Compounded by:

Capital Project

Reimbursement =

**\$32,450,199 / FY20 =**

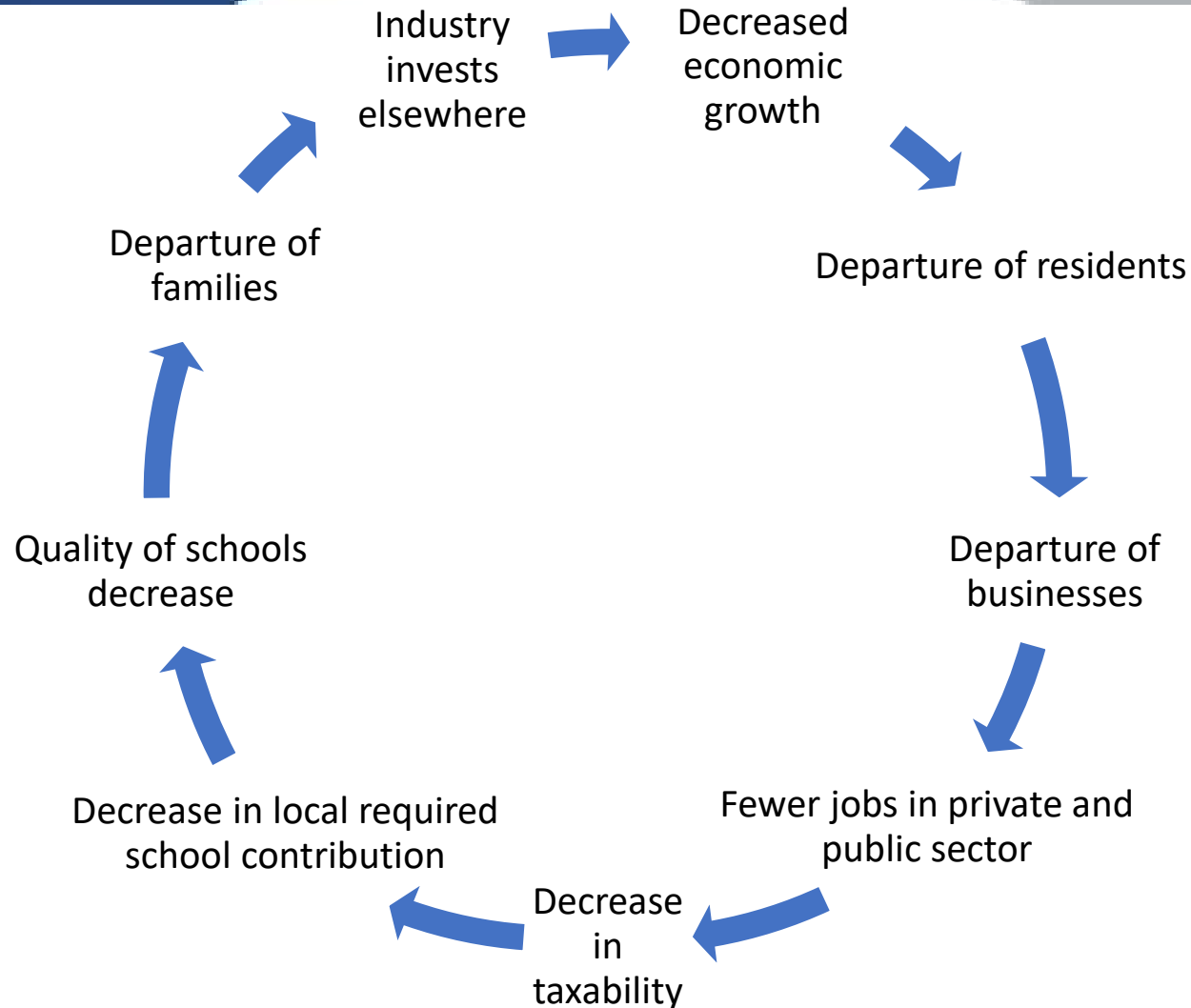
**\$2,003,484**

Harbor Matching

Grants = **\$7,500,000**

Alaska Marine Highway

System = **\$8,709,307**



## Outcomes of HB65?

Less sustainable communities  
Less predictable economies  
Less affordable services