

Opposition of HB65
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House Fisheries Committee
Representative Stutes, Chair
Alaska State Legislature
Juneau, AK 99811
via email: Matt.Gruening@akleg.gov

RE: Opposition of HB65 Fish Tax: Repeal Municipal Refunds/Revenue Sharing

Dear Chair Stutes and House Fisheries Committee Members,

Petersburg Vessel Owner's Association (PVOA) is composed of nearly 100 members participating in a wide variety of species and gear type fisheries. An additional 35 businesses supportive to our industry are members. Targeted species include salmon, herring, halibut, sablefish, cod, crab, shrimp, pollock, tuna, geoduck, and sea cucumber.

We are writing today in opposition of HB65 that would repeal the 50% municipality share of the Fisheries Business Tax and Fisheries Resource Landing Tax. These taxes are frequently referred to accumulatively as 'Raw Fish Taxes' and were created to support both the State of Alaska and its coastal communities, all having economies dependent in part on the seafood industry. The municipality revenue share of Raw Fish Taxes was dedicated to support infrastructure and services necessary for processors and fishermen.

Petersburg's share of these Raw Fish Tax revenues varies annually due to the abundance and market value of salmon, herring, groundfish, and shellfish. The average is \$700,000 a year that is divided up to contribute funds for our necessary infrastructure and services including harbors, emergency services, schools, a library, and Parks and Recreation.

While revenue sharing of Raw Fish Taxes helps fund the Petersburg Borough, it far from covers the costs of even the Petersburg Harbor infrastructure with expenses near \$3 million annually of the over \$16 million in expenditures for the Petersburg Borough overall. Moorage rates, and matching funds from State and Federal grant programs also fill the budget. The loss of these funds would drive up moorage rates and local taxes.

Petersburg's share of the Raw Fish Taxes landed locally is deliberately split in ways to support our community as a whole. The loss of these funds would have grave affects on our economy and we ask the legislature not pass HB65.

Respectfully,



Megan O'Neil
Executive Director