

Shared Fish tax testimony
4/25/19

Good afternoon Chair Stutes and committee members;

I am Pat Branson mayor of the City of Kodiak

The City of Kodiak faces a dire threat from the Governor's proposal to grab the Shared Fisheries Business tax and shared Fisheries Resource landing tax. This tax amounts to \$859,000 to the City of Kodiak budget or 4.5% of general fund revenue. Those funds are used to maintain infrastructure which supports our and the state's economic engine-the seafood industry. Kodiak is the third in pounds landed and fourth in product value in all US ports.

The state no longer owns this infrastructure which supports this important industry. With out these funds, it means municipalities will have to look at raising taxes, cutting services and for some municipalities, continuing to remain as viable government entities.

Let me emphasize the definition of shared; distributed between members of a group; used or enjoyed jointly and I would take this definition further that the state budget: this proposed state budget affects every municipality and Alaskan and should have the in depth research and analysis before finding a quick fix of making major cuts as being the solution to a long term problem of the state budget deficit. Local municipalities or even household budgets are not approached in this manner without dangerous effect. This budget approach lacks the understanding and awareness of the realities of living in a resource economy in a geographically remote location.

I urge you and the full legislature as the state budget appropriators, to carefully research, review, discuss with local municipalities and to carefully consider the effects of the Governor's budget and to repeal HB65. Cost shifting and revenue grabbing is not budget solving. Thank you.