

HOUSE CONCURRENT RESOLUTION NO. 13
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-SECOND LEGISLATURE - FIRST SESSION

BY THE HOUSE RESOURCES COMMITTEE

Introduced: 4/2/01

Referred: Resources, Finance

A RESOLUTION

1 **Relating to the nonresident fee differential for commercial fishing permits and licenses.**

2 **BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

3 **WHEREAS** all participants in the commercial fishing industry in Alaska should
4 contribute equally toward the direct and indirect costs incurred by the State of Alaska for the
5 management, support, and regulation of commercial fisheries; and

6 **WHEREAS** resident commercial fishermen have traditionally contributed more
7 toward the costs of the commercial fishing industry than have nonresident commercial
8 fishermen through the payment of state and local taxes and fees and through the expenditure
9 of state revenue derived from the development of state natural resources, particularly oil and
10 gas, that are equivalent to taxes that only residents pay; and

11 **WHEREAS** the State of Alaska has sought to equitably distribute the burden for the
12 support of the commercial fishing industry between residents and nonresidents by imposing a
13 nonresident fee differential on the cost of commercial fishing entry permits and interim-use
14 permits under the Alaska commercial fisheries entry program and on the cost of commercial
15 fishing crewmember licenses; and

16 **WHEREAS**, under the federal and state constitutions, the State of Alaska may charge

1 higher fees for nonresidents to participate in commercial fishing in order to equitably
2 distribute responsibility for paying the costs of the commercial fishing industry; and

3 **WHEREAS** the State of Alaska seeks only to recover that amount that may be legally
4 collected from nonresident commercial fishermen under the federal and state constitutions to
5 compensate the state for the direct and indirect costs attributable to the commercial fishing
6 industry and to equitably distribute the burden of these costs between resident and nonresident
7 fishermen; and

8 **WHEREAS** the nonresident fee differential charged by the State of Alaska neither
9 discourages nonresident participation in the commercial fishing industry of Alaska nor places
10 nonresidents at a competitive disadvantage to residents; and

11 **WHEREAS** most coastal states charge higher commercial fishing fees to nonresidents
12 and many states charge a nonresident fee differential that is greater than that charged by the
13 State of Alaska; and

14 **WHEREAS**, as the result of litigation challenging the validity of the current
15 nonresident fee differential for commercial fishing entry permits and interim-use permits, it is
16 necessary to identify what costs to the State of Alaska should be included in calculating the
17 amount of the nonresident fee differential that may be charged for commercial fishing
18 crewmember licenses, entry permits, and interim-use permits;

19 **BE IT RESOLVED** that the Alaska State Legislature finds that the State of Alaska
20 may require nonresidents who participate in the commercial fishing industry in Alaska to pay
21 a fee differential that compensates the state for direct and indirect costs attributable to the
22 commercial fishing industry and that equitably distributes the burden for the support of the
23 commercial fishing industry in Alaska between residents and nonresidents; and be it

24 **FURTHER RESOLVED** that the Alaska State Legislature finds that the formula
25 used to calculate the amount of the fee differential that may be charged to nonresidents for
26 commercial fishing crewmember licenses, entry permits, and interim-use permits should
27 include

28 (1) the costs incurred by the State of Alaska that are directly attributable to
29 participation of nonresidents in the commercial fisheries of the state;

30 (2) the costs incurred by the State of Alaska for

31 (A) direct operating expenditures for ongoing management, support,

1 and regulation of the commercial fishing industry, including relevant expenditures of
2 the

3 (i) Office of the Governor, Alaska coastal management
4 program;

5 (ii) Department of Environmental Conservation, air and water
6 quality permitting activities and seafood inspection activities;

7 (iii) Department of Community and Economic Development,
8 commercial fishing loan program, Alaska Seafood Marketing Institute, and
9 community development quota program;

10 (iv) Department of Fish and Game, division of commercial
11 fisheries, division of habitat and restoration, board support section, division of
12 administrative services, division of sport fish, commissioner's office;

13 (v) Alaska Commercial Fisheries Entry Commission;

14 (vi) Department of Labor and Workforce Development, wage
15 and hour enforcement, mechanical inspections, occupational safety and health
16 activities, and fishermen's fund;

17 (vii) Department of Law;

18 (viii) Department of Natural Resources;

19 (ix) Department of Public Safety, commercial fisheries
20 enforcement;

21 (x) Department of Revenue, fisheries business tax program,
22 fishery resource landing tax program, salmon enhancement tax program,
23 salmon marketing tax program, and dive fishery management assessment
24 program;

25 (xi) University of Alaska, Fisheries Industrial Technology
26 Center, Institute of Marine Sciences, Marine Advisory Program, Alaska Sea
27 Grant College Program, and School of Fisheries and Ocean Sciences;

28 (xii) Legislature;

29 (xiii) Alaska Court System;

30 (B) indirect operating expenditures for general overhead attributable to
31 supporting the commercial fishing industry, including expenditures for general

1 overhead attributable to components of agencies that have direct operating
2 expenditures identified under (A) of this paragraph and to components of agencies for
3 which direct operating expenditures related to the ongoing management, support, and
4 regulation of the commercial fishing industry cannot be readily determined;

5 (C) general government expenditures for government services that are
6 used by a portion of the population attributable to the presence of the commercial
7 fishing industry, including government services provided by the Department of
8 Administration, Department of Corrections, Department of Education and Early
9 Development, Department of Health and Social Services, Department of Military and
10 Veterans' Affairs, and Department of Transportation and Public Facilities;

11 (D) capital expenditures to support the commercial fishing industry, as
12 measured by annual depreciation of public facilities and infrastructure; and to and

13 (E) expenditures to subsidize the construction and operation of salmon
14 hatcheries; and

15 (3) the amount of revenue foregone by the state due to the current
16 management system for commercial fisheries in the State of Alaska.

17 **A COPY** of this resolution shall be sent to Stephanie J. Cole, Administrative Director,
18 Alaska Court System.