

CS FOR HOUSE BILL NO. 25(CRA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FOURTH LEGISLATURE - FIRST SESSION

BY THE HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

Offered: 3/4/05

Referred: Finance

Sponsor(s): REPRESENTATIVES SEATON, Wilson

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to the sharing of fisheries business tax revenue with municipalities;**
2 **and providing for an effective date."**

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 *** Section 1.** AS 29.60.450 is amended by adding a new subsection to read:

5 (g) In addition to the amounts apportioned under (b)(1) of this section, each
6 fiscal year, a city with a population of 500 or less and a borough with a population of
7 3,000 or less shall also receive a hold harmless payment that is equal to the difference
8 between the amount that the city or borough received under (b)(1) of this section and
9 the amount that the city or borough would have received under (b)(1) of this section if
10 tax revenue collected under AS 43.75 on the value of fishery resources landed in a
11 municipality and exported from the state without being processed in the state had not
12 been available for payment to municipalities under AS 43.75.130(a) and (d).

13 *** Sec. 2.** AS 43.75.130(a) is amended to read:

14 (a) **Subject to appropriation by the legislature and to** [EXCEPT AS

1 PROVIDED IN] (d) of this section, the commissioner shall pay

2 (1) to each unified municipality and to each city located in the
3 unorganized borough, 50 percent of the amount of tax revenue collected in the
4 municipality from taxes levied under this chapter;

5 (2) to each city located within a borough, 25 percent of the amount of
6 tax revenue collected in the city from taxes levied under this chapter; and

7 (3) to each borough

8 (A) 50 percent of the amount of tax revenue collected in the
9 area of the borough outside cities from taxes levied under this chapter; and

10 (B) 25 percent of the amount of tax revenue collected in cities
11 located within the borough from taxes levied under this chapter.

12 * **Sec. 3.** AS 43.75.130(d) is amended to read:

13 (d) Notwithstanding the provisions of (a)(2) and (a)(3)(B) of this section, the
14 commissioner shall pay

15 (1) to each city that is located in a borough incorporated after June 16,
16 1987, the following percentages of the tax revenue collected in the city from taxes
17 levied under this chapter:

18 (A) 45 percent of the tax revenue [TAXES] collected during
19 the calendar year in which the borough is incorporated;

20 (B) 40 percent of the tax revenue [TAXES] collected during
21 the first calendar year after the calendar year in which the borough is
22 incorporated;

23 (C) 35 percent of the tax revenue [TAXES] collected during
24 the second calendar year after the calendar year in which the borough is
25 incorporated; and

26 (D) 30 percent of the tax revenue [TAXES] collected during
27 the third calendar year after the calendar year in which the borough is
28 incorporated; and

29 (2) to each borough that is incorporated after June 16, 1987, the
30 following percentages of the tax revenue collected in the cities located within the
31 borough from taxes levied under this chapter:

1 (A) 5 percent of the **tax revenue** [TAXES] collected during the
2 calendar year in which the borough is incorporated;

3 (B) 10 percent of the **tax revenue** [TAXES] collected during
4 the first calendar year after the calendar year in which the borough is
5 incorporated;

6 (C) 15 percent of the **tax revenue** [TAXES] collected during
7 the second calendar year after the calendar year in which the borough is
8 incorporated; and

9 (D) 20 percent of the **tax revenue** [TAXES] collected during
10 the third calendar year after the calendar year in which the borough is
11 incorporated.

12 * **Sec. 4.** AS 43.75.130(g) is amended to read:

13 (g) In this section, "tax revenue collected" **means the revenue collected by**
14 **the department from taxes levied under this chapter on the value of fishery**
15 **resources that are either (1) processed in a municipality; or (2) first landed in a**
16 **municipality and exported from the state without being processed in the state;**
17 **"tax revenue collected"** includes the amount credited against taxes under
18 AS 43.75.018.

19 * **Sec. 5.** AS 43.75.130 is amended by adding a new subsection to read:

20 (h) Notwithstanding (a) and (d) of this section, the amount available for
21 payment to municipalities under this section from the amount of tax revenue collected
22 by the department on the value of fishery resources that are sold to a buyer in the
23 municipality but not processed in the state shall be transferred by the department to the
24 Department of Commerce, Community, and Economic Development. The amount
25 required to hold harmless cities and boroughs under AS 29.60.450(g) shall be paid,
26 subject to appropriation, from the tax revenue retained by the department under this
27 subsection. After payment of the hold harmless amount under AS 29.60.450(g), the
28 amount that each municipality is otherwise entitled to receive under (a) or (d) of this
29 section from the amount of tax revenue collected by the department on the value of
30 fishery resources that are sold to a buyer in the municipality but not processed in the
31 state shall be reduced proportionately by the amount necessary to make the hold

1 harmless payment under AS 29.60.450(g), and the reduced amount shall be paid to the
2 municipalities to which the tax revenue collected is to be paid under (a) or (d) of this
3 section.

4 * **Sec. 6.** AS 43.75.137 is amended to read:

5 **Sec. 43.75.137. Additional refund. Subject to appropriation by the**
6 **legislature** [TO THE EXTENT THAT APPROPRIATIONS ARE AVAILABLE FOR
7 THE PURPOSE, AND NOTWITHSTANDING THE REQUIREMENT OF
8 AS 37.07.080(e) THAT APPROVAL OF THE OFFICE OF MANAGEMENT AND
9 BUDGET IS REQUIRED], an amount equal to 50 percent of the tax revenue that is
10 collected under this chapter from fisheries businesses and **that** is not subject to
11 division with a municipality under AS 43.75.130 shall be **paid by** [TRANSMITTED
12 EACH FISCAL YEAR, WITHOUT THE APPROVAL OF THE OFFICE OF
13 MANAGEMENT AND BUDGET, BY THE DEPARTMENT TO] the Department of
14 Commerce, Community, and Economic Development [FOR DISBURSAL] to eligible
15 municipalities under AS 29.60.450.

16 * **Sec. 7.** This Act takes effect July 1, 2006.