

**SENATE BILL NO. 198**

IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWENTY-NINTH LEGISLATURE - SECOND SESSION

**BY SENATOR DUNLEAVY**

**Introduced: 2/22/16**

**Referred: Resources, Finance**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act establishing a 12.5 percent Alaska fisheries royalty on seafood caught**  
2 **commercially in the state; and providing for an effective date."**

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

4 **\* Section 1.** AS 43.75.055(c) is amended to read:

5 (c) An applicant may elect to avoid the requirements of (a) and (b) of this  
6 section if the applicant

7 (1) files a report as prescribed by the department and pays the taxes  
8 due under this chapter on or before the 15th day of the month following the month in  
9 which liability for the payment of the taxes was incurred;

10 (2) pays the taxes, [AND] assessments, and royalty for which the  
11 applicant is liable under AS 16.51, AS 43.76, and AS 43.77 on or before the 15th day  
12 of the month following the month in which the liability for the payment of the taxes,  
13 [OR] assessments, or royalty was incurred;

14 (3) remits to the department the taxes, [AND] assessments, and

1 **royalty** that the applicant is required to collect under AS 43.76 on or before the 15th  
 2 day of the month following the month in which the taxes, [OR] assessments, **and**  
 3 **royalty** were required to be collected; and

4 (4) either

5 (A) files a bond in the amount of \$50,000; or

6 (B) provides the department with proof that the applicant is the  
 7 owner of lienable real property in the state of a value of at least \$100,000.

8 \* **Sec. 2.** AS 43.76 is amended by adding new sections to read:

9 **Article 6. Alaska Fisheries Royalty.**

10 **Sec. 43.76.400. Alaska fisheries royalty.** A person holding a limited entry  
 11 permit or interim-use permit under AS 16.43 shall pay a royalty of 12.5 percent on the  
 12 value of fish caught in state water that the person removes from the state or transfers  
 13 to a buyer in the state under the authority conferred by the limited entry permit or  
 14 interim-use permit. The buyer shall collect the royalty at the time the fish is acquired  
 15 by the buyer.

16 **Sec. 43.76.405. Collection of royalty.** (a) Except as otherwise provided under  
 17 (f) of this section, a buyer who acquires fish that are subject to the royalty imposed  
 18 under AS 43.76.400 shall collect the royalty at the time of purchase and shall remit the  
 19 total royalty collected during each month to the department by the last day of the next  
 20 month.

21 (b) A buyer who collects a royalty shall

22 (1) maintain records of the value of fish purchased in the state that  
 23 were subject to the royalty;

24 (2) report the total value of the fish acquired during the preceding year  
 25 that were subject to the royalty to the department by March 1 of each year.

26 (c) A person taking, purchasing, or otherwise acquiring fish caught  
 27 commercially in state water that have not been subject to the royalty imposed under  
 28 AS 43.76.400 is subject to the royalty on the value of the fish. If a person is liable for  
 29 payment of the royalty under this subsection, the person shall comply with the  
 30 requirements imposed on a buyer under (a) and (b) of this section to remit the royalty  
 31 to the department, to maintain records, and to report to the department.

1 (d) A royalty collected under this section shall be deposited in the general  
2 fund. The department shall separately account for the amounts collected and interest  
3 accrued on the amounts collected under AS 43.76.400.

4 (e) The provisions of AS 43.05 and AS 43.10 apply as if the royalty imposed  
5 under AS 43.76.400 - 43.76.410 is a tax.

6 (f) A direct marketing fisheries business licensed under AS 43.75.020(c) or a  
7 commercial fisherman who transfers possession of fish to a buyer who is not a  
8 fisheries business licensed under AS 43.75 is liable for the payment of the royalty  
9 imposed under AS 43.76.400 if, at the time possession of the fish is transferred to a  
10 buyer, the royalty payable on the fish has not been collected. If a direct marketing  
11 fisheries business or commercial fisherman is liable for payment of the royalty under  
12 this subsection, the direct marketing fisheries business or commercial fisherman shall  
13 comply with the requirements imposed under (b) of this section to maintain records  
14 and report the value of fish acquired during the preceding year. Notwithstanding (a) of  
15 this section, a person subject to this subsection shall remit the total royalty payable  
16 during the calendar year to the Department of Revenue before April 1 after close of  
17 the calendar year.

18 **Sec. 43.76.410. Definitions.** In AS 43.76.400 - 43.76.410,

19 (1) "buyer" has the meaning given in AS 43.76.320;

20 (2) "value" has the meaning given in AS 43.75.290.

21 \* **Sec. 3.** This Act takes effect March 31, 2017.