

**CS FOR SENATE BILL NO. 135(RES)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FOURTH LEGISLATURE - FIRST SESSION

**BY THE SENATE RESOURCES COMMITTEE**

**Offered: 4/15/25**

**Referred: Finance**

**Sponsor(s): THE SENATE RULES COMMITTEE BY REQUEST OF THE JOINT LEGISLATIVE TASK FORCE EVALUATING ALASKA'S SEAFOOD INDUSTRY**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act relating to the sharing of tax revenue from the fisheries business tax and**  
2 **fishery resource landing tax with municipalities; relating to municipal reports on the**  
3 **shared tax revenue; and providing for an effective date."**

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

5 \* **Section 1.** The uncodified law of the State of Alaska is amended by adding a new section  
6 to read:

7 LEGISLATIVE INTENT. It is the intent of the legislature that a municipality use the  
8 additional revenue distributed under this Act to help maintain and improve the municipality's  
9 harbor facilities, if the municipality operates harbor facilities.

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

11 (a) **Subject to appropriation by the legislature, and except** [EXCEPT] as  
12 provided in (d) of this section, the commissioner shall pay

13 (1) to each unified municipality and to each city located in the  
14 unorganized borough, **60** [50] percent of the amount of tax revenue collected in the

1 municipality from taxes levied under this chapter;

2 (2) to each city located within a borough, 35 [25] percent of the  
3 amount of tax revenue collected in the city from taxes levied under this chapter; and

4 (3) to each borough

5 (A) 60 [50] percent of the amount of tax revenue collected in  
6 the area of the borough outside cities from taxes levied under this chapter; and

7 (B) 35 [25] percent of the amount of tax revenue collected in  
8 cities located within the borough from taxes levied under this chapter.

9 \* **Sec. 3.** AS 43.75.130(a), as amended by sec. 2 of this Act, is amended to read:

10 (a) Subject to appropriation by the legislature, and except as provided in (d) of  
11 this section, the commissioner shall pay

12 (1) to each unified municipality and to each city located in the  
13 unorganized borough, 50 [60] percent of the amount of tax revenue collected in the  
14 municipality from taxes levied under this chapter;

15 (2) to each city located within a borough, 25 [35] percent of the  
16 amount of tax revenue collected in the city from taxes levied under this chapter; and

17 (3) to each borough

18 (A) 50 [60] percent of the amount of tax revenue collected in  
19 the area of the borough outside cities from taxes levied under this chapter; and

20 (B) 25 [35] percent of the amount of tax revenue collected in  
21 cities located within the borough from taxes levied under this chapter.

22 \* **Sec. 4.** AS 43.75.130(d) is amended to read:

23 (d) Notwithstanding the provisions of (a)(2) and (a)(3)(B) of this section, **and**  
24 **subject to appropriation by the legislature,** the commissioner shall pay

25 (1) to each city that is located in a borough incorporated after June 16,  
26 1987, the following percentages of the tax revenue collected in the city from taxes  
27 levied under this chapter:

28 (A) 55 [45] percent of the taxes collected during the calendar  
29 year in which the borough is incorporated;

30 (B) 50 [40] percent of the taxes collected during the first  
31 calendar year after the calendar year in which the borough is incorporated;

1 (C) 45 [35] percent of the taxes collected during the second  
2 calendar year after the calendar year in which the borough is incorporated; and

3 (D) 40 [30] percent of the taxes collected during the third  
4 calendar year after the calendar year in which the borough is incorporated; and

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

8 (A) 7.5 [5] percent of the taxes collected during the calendar  
9 year in which the borough is incorporated;

10 (B) 15 [10] percent of the taxes collected during the first  
11 calendar year after the calendar year in which the borough is incorporated;

12 (C) 25 [15] percent of the taxes collected during the second  
13 calendar year after the calendar year in which the borough is incorporated; and

14 (D) 30 [20] percent of the taxes collected during the third  
15 calendar year after the calendar year in which the borough is incorporated.

16 \* **Sec. 5.** AS 43.75.130(d), as amended by sec. 4 of this Act, is amended to read:

17 (d) Notwithstanding the provisions of (a)(2) and (a)(3)(B) of this section, and  
18 subject to appropriation by the legislature, the commissioner shall pay

19 (1) to each city that is located in a borough incorporated after June 16,  
20 1987, the following percentages of the tax revenue collected in the city from taxes  
21 levied under this chapter:

22 (A) 45 [55] percent of the taxes collected during the calendar  
23 year in which the borough is incorporated;

24 (B) 40 [50] percent of the taxes collected during the first  
25 calendar year after the calendar year in which the borough is incorporated;

26 (C) 35 [45] percent of the taxes collected during the second  
27 calendar year after the calendar year in which the borough is incorporated; and

28 (D) 30 [40] percent of the taxes collected during the third  
29 calendar year after the calendar year in which the borough is incorporated; and

30 (2) to each borough that is incorporated after June 16, 1987, the  
31 following percentages of the tax revenue collected in the cities located within the

1 borough from taxes levied under this chapter:

2 (A) **five** [7.5] percent of the taxes collected during the calendar  
3 year in which the borough is incorporated;

4 (B) **10** [15] percent of the taxes collected during the first  
5 calendar year after the calendar year in which the borough is incorporated;

6 (C) **15** [25] percent of the taxes collected during the second  
7 calendar year after the calendar year in which the borough is incorporated; and

8 (D) **20** [30] percent of the taxes collected during the third  
9 calendar year after the calendar year in which the borough is incorporated.

10 \* **Sec. 6.** AS 43.75.130 is amended by adding a new subsection to read:

11 (i) A municipality that receives a payment under this section shall use 10  
12 percent of the funds received under this section to support or enhance commercial  
13 fishing.

14 \* **Sec. 7.** AS 43.75.137 is amended to read:

15 **Sec. 43.75.137. Additional refund. Subject to appropriation by the**  
16 **legislature** [TO THE EXTENT THAT APPROPRIATIONS ARE AVAILABLE FOR  
17 THE PURPOSE, AND NOTWITHSTANDING THE REQUIREMENT OF  
18 AS 37.07.080(e) THAT APPROVAL OF THE OFFICE OF MANAGEMENT AND  
19 BUDGET IS REQUIRED], an amount equal to **75** [50] percent of the tax revenue that  
20 is collected under this chapter from fisheries businesses and **that** is not subject to  
21 division with a municipality under AS 43.75.130 shall be **paid by** [TRANSMITTED  
22 EACH FISCAL YEAR, WITHOUT THE APPROVAL OF THE OFFICE OF  
23 MANAGEMENT AND BUDGET, BY THE DEPARTMENT TO] the Department of  
24 Commerce, Community, and Economic Development [FOR DISBURSAL] to eligible  
25 municipalities under AS 29.60.450.

26 \* **Sec. 8.** AS 43.75.137, as amended by sec. 7 of this Act, is amended to read:

27 **Sec. 43.75.137. Additional refund.** Subject to appropriation by the legislature,  
28 an amount equal to **50** [75] percent of the tax revenue that is collected under this  
29 chapter from fisheries businesses and that is not subject to division with a municipality  
30 under AS 43.75.130 shall be paid by the Department of Commerce, Community, and  
31 Economic Development to eligible municipalities under AS 29.60.450.

1 \* **Sec. 9.** AS 43.75 is amended by adding a new section to article 3 to read:

2 **Sec. 43.75.150. Municipal reports to the legislature.** (a) Except as provided  
3 in (c) of this section, not more than 30 days after the convening of each regular  
4 legislative session, a municipality that receives tax revenue under AS 43.75.130 -  
5 43.75.137 shall prepare and submit to the legislature a report that describes

6 (1) how those funds were used by the municipality in the previous  
7 fiscal year; and

8 (2) any harbor maintenance or improvement projects that were funded  
9 in whole or in part by the tax revenue collected under AS 43.75.130 - 43.75.137, if the  
10 municipality operates a harbor.

11 (b) The report required under (a) of this section may be made jointly with the  
12 report required under AS 43.77.060(f).

13 (c) A report is not required under this section if the total tax revenue a  
14 municipality receives under AS 43.75.130 - 43.75.137 is less than \$10,000.

15 \* **Sec. 10.** AS 43.77.060(a) is amended to read:

16 (a) Subject to appropriation by the legislature and except as provided in (b) of  
17 this section, the commissioner shall pay to each

18 (1) unified municipality and to each city located in the unorganized  
19 borough 75 [, 50] percent of the amount of tax revenue collected from taxes levied  
20 under this chapter on the fishery resource landed in the municipality and accounted for  
21 under AS 43.77.050(b);

22 (2) city located within a borough 35 [, 25] percent of the amount of the  
23 tax revenue collected from taxes levied under this chapter on fishery resources landed  
24 in the city and accounted for under AS 43.77.050(b); and

25 (3) borough

26 (A) 75 [50] percent of the amount of the tax revenue collected  
27 from taxes levied under this chapter on fishery resources landed in the area of  
28 the borough outside cities and accounted for under AS 43.77.050(b); and

29 (B) 35 [25] percent of the amount of the tax revenue collected  
30 from taxes levied under this chapter on fishery resources landed in cities  
31 located within the borough and accounted for under AS 43.77.050(b).

1 \* **Sec. 11.** AS 43.77.060(a), as amended by sec. 10 of this Act, is amended to read:

2 (a) Subject to appropriation by the legislature and except as provided in (b) of  
3 this section, the commissioner shall pay to each

4 (1) unified municipality and to each city located in the unorganized  
5 borough 50 [75] percent of the amount of tax revenue collected from taxes levied  
6 under this chapter on the fishery resource landed in the municipality and accounted for  
7 under AS 43.77.050(b);

8 (2) city located within a borough 25 [35] percent of the amount of the  
9 tax revenue collected from taxes levied under this chapter on fishery resources landed  
10 in the city and accounted for under AS 43.77.050(b); and

11 (3) borough

12 (A) 50 [75] percent of the amount of the tax revenue collected  
13 from taxes levied under this chapter on fishery resources landed in the area of  
14 the borough outside cities and accounted for under AS 43.77.050(b); and

15 (B) 25 [35] percent of the amount of the tax revenue collected  
16 from taxes levied under this chapter on fishery resources landed in cities  
17 located within the borough and accounted for under AS 43.77.050(b).

18 \* **Sec. 12.** AS 43.77.060(b) is amended to read:

19 (b) Notwithstanding the provisions of (a)(2) and (a)(3)(B) of this section, and  
20 subject to appropriation by the legislature, the commissioner shall pay to each

21 (1) city that is located in a borough incorporated after January 1, 1994,  
22 the following percentages of the tax revenue collected from taxes levied under this  
23 chapter on fishery resources landed in the city and accounted for under  
24 AS 43.77.050(b):

25 (A) 50 [45] percent of the tax revenue collected during the  
26 calendar year in which the borough is incorporated;

27 (B) 50 [40] percent of the tax revenue collected during the first  
28 calendar year after the calendar year in which the borough is incorporated;

29 (C) 50 [35] percent of the tax revenue collected during the  
30 second calendar year after the calendar year in which the borough is  
31 incorporated; and

1 (D) 50 [30] percent of the tax revenue collected during the third  
 2 calendar year after the calendar year in which the borough is incorporated; and  
 3 (2) borough that is incorporated after January 1, 1994, the following  
 4 percentages of the tax revenue collected from taxes levied under this chapter on  
 5 fishery resources landed in the cities located within the borough and accounted for  
 6 under AS 43.77.050(b):

7 (A) 10 [FIVE] percent of the tax revenue collected during the  
 8 calendar year in which the borough is incorporated;

9 (B) 20 [10] percent of the tax revenue collected during the first  
 10 calendar year after the calendar year in which the borough is incorporated;

11 (C) 25 [15] percent of the tax revenue collected during the  
 12 second calendar year after the calendar year in which the borough is  
 13 incorporated; and

14 (D) 35 [20] percent of the tax revenue collected during the third  
 15 calendar year after the calendar year in which the borough is incorporated.

16 \* **Sec. 13.** AS 43.77.060(b), as amended by sec. 12 of this Act, is amended to read:

17 (b) Notwithstanding the provisions of (a)(2) and (a)(3)(B) of this section, and  
 18 subject to appropriation by the legislature, the commissioner shall pay to each

19 (1) city that is located in a borough incorporated after January 1, 1994,  
 20 the following percentages of the tax revenue collected from taxes levied under this  
 21 chapter on fishery resources landed in the city and accounted for under  
 22 AS 43.77.050(b):

23 (A) 45 [50] percent of the tax revenue collected during the  
 24 calendar year in which the borough is incorporated;

25 (B) 40 [50] percent of the tax revenue collected during the first  
 26 calendar year after the calendar year in which the borough is incorporated;

27 (C) 35 [50] percent of the tax revenue collected during the  
 28 second calendar year after the calendar year in which the borough is  
 29 incorporated; and

30 (D) 30 [50] percent of the tax revenue collected during the third  
 31 calendar year after the calendar year in which the borough is incorporated; and

1 (2) borough that is incorporated after January 1, 1994, the following  
 2 percentages of the tax revenue collected from taxes levied under this chapter on  
 3 fishery resources landed in the cities located within the borough and accounted for  
 4 under AS 43.77.050(b):

5 (A) **five** [10] percent of the tax revenue collected during the  
 6 calendar year in which the borough is incorporated;

7 (B) **10** [20] percent of the tax revenue collected during the first  
 8 calendar year after the calendar year in which the borough is incorporated;

9 (C) **15** [25] percent of the tax revenue collected during the  
 10 second calendar year after the calendar year in which the borough is  
 11 incorporated; and

12 (D) **20** [35] percent of the tax revenue collected during the third  
 13 calendar year after the calendar year in which the borough is incorporated.

14 \* **Sec. 14.** AS 43.77.060(d) is amended to read:

15 (d) **Subject to appropriation by the legislature** [TO THE EXTENT THAT  
 16 APPROPRIATIONS ARE AVAILABLE FOR THE PURPOSE, AND  
 17 NOTWITHSTANDING THE REQUIREMENT OF AS 37.07.080(e) THAT  
 18 APPROVAL OF THE OFFICE OF MANAGEMENT AND BUDGET IS  
 19 REQUIRED], an amount equal to **75** [50] percent of the tax revenue that is collected  
 20 under this chapter and **that** is not subject to division with a municipality under (a) - (c)  
 21 of this section shall be **paid by** [TRANSMITTED EACH FISCAL YEAR,  
 22 WITHOUT THE APPROVAL OF THE OFFICE OF MANAGEMENT AND  
 23 BUDGET, BY THE DEPARTMENT TO] the Department of Commerce, Community,  
 24 and Economic Development [FOR DISBURSAL] to eligible municipalities under  
 25 AS 29.60.450.

26 \* **Sec. 15.** AS 43.77.060(d), as amended by sec. 14 of this Act, is amended to read:

27 (d) Subject to appropriation by the legislature, an amount equal to **50** [75]  
 28 percent of the tax revenue that is collected under this chapter and that is not subject to  
 29 division with a municipality under (a) - (c) of this section shall be paid by the  
 30 Department of Commerce, Community, and Economic Development to eligible  
 31 municipalities under AS 29.60.450.

1 \* **Sec. 16.** AS 43.77.060 is amended by adding new subsections to read:

2 (f) Except as provided in (c) of this section, not more than 30 days after the  
3 convening of each regular legislative session, a municipality that receives tax revenue  
4 under this section shall prepare and submit to the legislature a report that describes  
5 how those funds were used by the municipality in the previous fiscal year and that  
6 details any harbor maintenance or improvement projects that were funded in whole or  
7 in part by that tax revenue, if the municipality operates harbor facilities. The report  
8 may be made jointly with the report required under AS 43.75.150.

9 (g) A report is not required under this section if the total tax revenue a  
10 municipality receives under this section is less than \$10,000.

11 (h) A municipality that receives a payment under this section shall use 10  
12 percent of the funds received under this section to support or enhance commercial  
13 fishing.

14 \* **Sec. 17.** AS 43.75.130(i) and AS 43.77.060(g) are repealed.

15 \* **Sec. 18.** The uncodified law of the State of Alaska is amended by adding a new section to  
16 read:

17 **APPLICABILITY.** This Act applies to tax revenue collected by the Department of  
18 Revenue under AS 43.75 and AS 43.77 for the 2025 tax year and later tax years.

19 \* **Sec. 19.** Sections 9 and 16 of this Act take effect February 1, 2026.

20 \* **Sec. 20.** Sections 3, 5, 8, 11, 13, 15, and 17 of this Act take effect July 1, 2035.

21 \* **Sec. 21.** Except as provided in secs. 19 and 20 of this Act, this Act takes effect January 1,  
22 2026.