

1 IN THE HOUSE

BY HERRMANN BY REQUEST

2

HOUSE BILL NO. 314

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to the allocation of fisheries
7 business taxes to municipalities."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. AS 43.75.130 is amended by adding a new subsection to
10 read:

11 (d) To the extent that appropriations are available for the
12 purpose, and notwithstanding the requirement of AS 37.07.080(e) that
13 approval of the office of management and budget is required, an amount
14 equal to 50 percent of the tax revenue that is collected under this
15 chapter from floating fisheries businesses and is not subject to
16 division with a municipality under (a) - (c) of this section shall be
17 allocated each fiscal year by the department, without the approval of
18 the office of management and budget, to eligible municipalities under
19 AS 43.75.133.

20 * Sec. 2. AS 43.75 is amended by adding a new section to read:

21 Sec. 43.75.133. TAX ALLOCATION. (a) A municipality is eligible
22 for a tax allocation if the municipality

23 (1) is located in a coastal region; and

24 (2) demonstrates to the department that the municipality
25 suffered significant effects from a floating fisheries business during
26 the base year; in this paragraph, "significant effect" means an effect
27 that has cumulative consequences that alter the quality of the human
28 environment, decrease or limit the choices of beneficial uses of the
29 human environment, or interfere with the achievement of long-range

1 human environmental goals.

2 (b) To apply for a tax allocation, a municipality shall submit
3 an application to the department by February 1 of the fiscal year
4 preceding the tax allocation year. The department may extend the
5 application deadline if a municipality demonstrates good cause for the
6 extension.

7 (c) An applicant shall attach to the application an estimate of
8 the applicant's maximum population during the period of the base year
9 when a species of fish or shellfish may be taken commercially. The
10 estimate shall be certified by the mayor of the municipality and
11 adopted as a resolution by the governing body. The estimate must
12 include an explanation of how the estimate was made.

13 (d) By March 15 of the fiscal year preceding the tax allocation
14 year, the department shall determine if an applicant is eligible for a
15 tax allocation and notify the applicant of the determination.

16 (e) Before making the tax allocations under (f) of this section,
17 a portion of the tax revenue available under AS 43.75.130(d) for
18 allocation under this section shall be apportioned by the department
19 to each management region based on the ratio of the region's fish and
20 shellfish production value to the total fish and shellfish production
21 value for all of the management regions. In this subsection,
22 "production value" means the weight of the fish and shellfish pro-
23 cessed by floating fisheries businesses.

24 (f) The tax allocation to an eligible municipality is the sum of
25 (1) the result of dividing the number of the management
26 region's eligible municipalities for the tax allocation year into
27 one-half of the tax revenue apportioned to the management region under
28 (e) of this section for the tax allocation year; and

29 (2) the result of multiplying the municipality's population

1 increase ratio by the other one-half of the tax revenue apportioned to
2 the management region under (e) of this section for the tax allocation
3 year.

4 (g) If a borough and a city that is located within the borough
5 both qualify as eligible municipalities under (a) of this section for
6 a tax allocation year, the department shall exclude the population
7 increase for the city from the borough's population increase when
8 calculating the borough's population increase ratio under (f) of this
9 section.

10 (h) A recipient of a tax allocation under this section shall use
11 the tax allocation to mitigate the effects of floating fisheries
12 businesses on the municipality.

13 (i) If an applicant disagrees with a determination made by the
14 department under this section, the applicant may appeal the determina-
15 tion to the commissioner by submitting a written appeal to the commis-
16 sioner within 30 days after receiving the determination. The written
17 appeal must include the factual justifications for the appeal. The
18 commissioner shall consider the appeal and notify the applicant of the
19 commissioner's decision within 30 days after receiving the appeal.

20 (j) At the request of the department, an applicant or a recipi-
21 ent of a tax allocation shall provide the department with the assis-
22 tance and information available to the municipality that is necessary
23 for the department to carry out the department's duties under this
24 section relating to the municipality.

25 (k) In this section,

26 (1) "base year" means the calendar year that precedes the
27 application deadline for the tax allocation year;

28 (2) "coastal region" means one of the nine coastal regions
29 described in AS 44.19.155(a)(1);

1 (3) "effect" includes an effect that is ecological, aes-
2 thetic, historic, cultural, economic, social, or health-related;

3 (4) "management region" means one of the geographical
4 regions established by the Department of Fish and Game for the manage-
5 ment of the commercial fisheries of the state;

6 (5) "maximum population" means the largest number of indi-
7 viduals present within the boundaries of an area and includes tran-
8 sient individuals who do not have permanent ties with the area;

9 (6) "population increase" means the difference between the
10 population determined by the department under AS 29.60.020 and the
11 maximum population;

12 (7) "population increase ratio" means the base year popu-
13 lation increase of the municipality divided by the population increase
14 of the management region;

15 (8) "tax allocation year" means the fiscal year for which
16 the department makes the tax allocation.