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1 IN THE SENATE

BY FISCHER, KELLY,
ZHAROFF AND JONES

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SENATE BILL NO. 276

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IN THE LEGISLATURE OF THE STATE OF ALASKA

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SIXTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

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For an Act entitled: "An Act relating to refunds to local governments of
proceeds of the fisheries business tax during fiscal
year 1990; and providing for an effective date."

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

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* Section 1. PURPOSE. It is the purpose of this Act to assure that a
refund payable to a municipality from the proceeds of the fisheries busi-
ness tax is not substantially reduced because of the Valdez oil discharge
disaster.

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* Sec. 2. ALTERNATE COMPUTATION OF REFUND. (a) Instead of the amount
payable as a fisheries business tax refund under AS 43.75.130, a municipal-
ity entitled to that payment may receive a payment computed for the munici-
pality that is the average of the amounts the municipality received under
AS 43.75.130 during the fiscal years ending June 30, 1987, June 30, 1988,
and June 30, 1989, if

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(1) the payment computed under AS 43.75.130 for fiscal year 1990
is less than the amount the municipality received under AS 43.75.130 for
fiscal year 1989;

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(2) the average exceeds the amount the municipality would re-
ceive under AS 43.75.130 during fiscal year 1990; and

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(3) the reduction in the payment computed under AS 43.75.130 for
fiscal year 1990 is attributable to the Valdez oil discharge disaster.

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(b) For purposes of (a) of this section, a reduction in payments
under AS 43.75.130 is attributable to the Valdez oil discharge disaster if

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(1) as a result of the disaster,

1 (A) the Department of Fish and Game orders a reduction or
2 closure of a fishing season and the reduction or closure affects
3 persons who would normally deliver the resource of the fishery for
4 processing in the municipality;

5 (B) fishing activities are curtailed because of crude oil
6 in areas open to fishing activities by persons who would normally
7 deliver the resource of the fishery for processing in the municipal-
8 ity;

9 (C) substantial numbers of persons who would have lawfully
10 participated in fishing activities are engaged in containment and
11 cleanup of the crude oil spilled from the Exxon Valdez and do not take
12 advantage of fishing activities to deliver the resource of the fishery
13 for processing in the municipality; or

14 (D) the price paid for the fisheries resources delivered
15 for processing in the municipality is reduced, and that price reduc-
16 tion is due to a diminishment in the quality of or market demand for
17 the fishery resource because of the Valdez oil discharge disaster; or

18 (2) the municipality demonstrates, to the satisfaction of the
19 commissioner of revenue, that the reduction in payments made to the munici-
20 pality is otherwise attributable to the Valdez oil discharge disaster.

21 (c) A city incorporated after June 16, 1987, is eligible for the
22 alternate refund payable under this Act. For purposes of compelling the
23 alternate refund under this section, the commissioner of revenue shall
24 consider under (a)(2) of this section the sequential reduction of revenue
25 required by AS 43.75.130(d)(1) for a city incorporated after June 16, 1987.
26 In making the computation under this subsection, the commissioner may
27 average the number of years of refunds actually made to a new city but, if
28 a refund has not been made under AS 43.75.130(d)(1), the commissioner may
29 not apply this subsection.

1 * Sec. 3. SUPPLEMENTAL APPROPRIATION REQUEST AUTHORIZED. If the amount
2 appropriated to provide payment under AS 43.75 and sec. 2 of this Act is
3 insufficient to pay the full amount of all refunds required, the governor
4 shall submit a request for a supplemental appropriation for fiscal year
5 1990 to the Second Session of the Sixteenth Alaska State Legislature.

6 * Sec. 4. DEFINITION. In this Act "Valdez oil discharge disaster"
7 means the incident involving the discharge of crude oil after the grounding
8 of the Exxon Valdez at Bligh Reef on March 24, 1989, the discharge of
9 ballast water from another tanker on the subsequent weekend in order to
10 accommodate the transfer of crude oil from the Exxon Valdez to the second
11 tanker, and attendant containment and cleanup actions.

12 * Sec. 5. This Act is repealed June 30, 1990.

13 * Sec. 6. This Act takes effect July 1, 1989.