

BY THE C&RA COMMITTEE

1 IN THE SENATE

2

SENATE BILL NO. 512

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SIXTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act relating to the allocation of fisheries
7 business taxes to municipalities by the Department of
8 Community and Regional Affairs; and providing for an
9 effective date."

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

11 * Section 1. FINDINGS. The legislature finds that

12 (1) it has been a longstanding state policy to share fisheries
13 business taxes with municipal governments in the areas in which the fishery
14 resources are harvested;

15 (2) these shared taxes constitute an important source of revenue
16 to municipal governments to mitigate the effects of fish harvesting and
17 processing activities;

18 (3) communities are significantly affected by an increase in
19 population or influx of people;

20 (4) fishing activities such as harvesting and processing create
21 an influx of population throughout the year in many coastal communities;

22 (5) the state has a vested interest in encouraging communities
23 to provide adequate services;

24 (6) revenue generated through the sharing of fisheries business
25 taxes will help many fishing communities to provide adequate services and
26 to prepare for future damage attributable to fisheries activities.

27 * Sec. 2. AS 29.60 is amended by adding a new section to read:

28 ARTICLE 6. SHARED FISHERIES BUSINESS TAXES.

29 Sec. 29.60.450. FISHERIES BUSINESS TAX ALLOCATION. (a) A

1 municipality is eligible for a fisheries business tax allocation if
2 the municipality demonstrates to the department that the municipality
3 suffered significant negative effects from fisheries business activ-
4 ities during the base year.

5 (b) Before making a tax allocation under (c) of this section, a
6 portion of the tax revenue available under AS 43.75.130(g) for allo-
7 cation under this section shall be apportioned by the department to
8 each management region. The apportionment must be based on the ratio
9 of the weight of the fish and shellfish processed by floating fisher-
10 ies businesses within the management region to the total weight of the
11 fish and shellfish processed by floating fisheries businesses in all
12 management regions.

13 (c) The tax allocation to an eligible municipality is the sum of

14 (1) the result of dividing the number of the management
15 region's eligible municipalities for the tax allocation year into one-
16 half of the tax revenue apportioned to the management region under (b)
17 of this section for the tax allocation year; and

18 (2) the result of multiplying the municipality's population
19 ratio by the other one-half of the tax revenue apportioned to the
20 management region under (b) of this section for the tax allocation
21 year.

22 (d) A municipality that receives a tax allocation under this
23 section shall use the tax allocation to help reduce the effect of
24 fisheries business activities on the municipality and may thereafter
25 use the tax allocation for the expenses of any municipal service.

26 (e) At the request of the department, an applicant or a re-
27 cipient of a tax allocation shall provide the department with the
28 assistance and information available to the municipality that is
29 necessary for the department to carry out the department's duties

1 under this section relating to the municipality.

2 (f) The department

3 (1) may designate management regions by regulation; the
4 management regions must be based on the management areas used by the
5 Board of Fisheries by regulation adopted under AS 16.05.251(a)(2) for
6 the management of the commercial fisheries of the state;

7 (2) may adopt other regulations necessary to carry out the
8 provisions of this section.

9 (g) In this section,

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

12 (2) "effect" means the change attributable to fisheries
13 business activities on the municipality's

14 (A) population;

15 (B) employment;

16 (C) finances;

17 (D) air and water quality;

18 (E) fish and wildlife habitats; and

19 (F) ability to provide essential public services,
20 including health care, public safety, education, transportation,
21 utilities, and government administration;

22 (3) "fisheries business activity" means activity related to
23 processing fisheries resources for sale by freezing, cooking, salting,
24 or other method and includes but is not limited to canneries, cold
25 storages, freezer ships, and processing plants;

26 (4) "management region" means one of the units designated
27 by the department by regulation adopted under AS 29.60.450(f)(1);

28 (5) "population" means the population determined under
29 AS 29.60.020;

1 (6) "population ratio" means the base year population of
2 the municipality divided by the base year population of all eligible
3 municipalities in the management region;

4 (7) "tax allocation year" means the fiscal year for which
5 the department makes the tax allocation.

6 * Sec. 3. AS 43.75.130 is amended by adding a new subsection to read:

7 (g) To the extent that appropriations are available for the
8 purpose, and notwithstanding the requirement of AS 37.07.080(e) that
9 approval of the office of management and budget is required, an amount
10 equal to 50 percent of the tax revenue that is collected under this
11 chapter from floating fisheries businesses and is not subject to
12 division with a municipality under (a), (c), and (d) of this section
13 shall be transmitted each fiscal year by the department to the Depart-
14 ment of Community and Regional Affairs for disbursement, without the
15 approval of the office of management and budget, to eligible munic-
16 ipalities under AS 29.60.450.

17 * Sec. 4. INTERIM FISHERY MANAGEMENT REGIONS. Notwithstanding AS 29.-
18 60.450(f)(1) and 29.60.450(g)(4), added by sec. 2 of this Act, until alter-
19 ed or amended by the Department of Community and Regional Affairs by regu-
20 lation, each of the following constitutes a fishery management region for
21 purposes of administration of AS 29.60.450:

22 (1) Region I, including all water between the longitude of Cape
23 Suckling and Dixon Entrance;

24 (2) Region II, including all water west of the longitude of Cape
25 Suckling and north of the latitude of Cape Douglas;

26 (3) Region III, including all water north of the latitude of
27 Cape Newenham, and the water surrounding Nunivak, St. Lawrence, and St.
28 Matthew Islands; and

29 (4) Region IV, including all water south of the latitude of Cape

- 1 Douglas, west to Unimak Pass, and north to the latitude of Cape Newenham,
- 2 and the water surrounding the Kodiak, Aleutian, and Pribilof Islands.
- 3 * Sec. 5. This Act takes effect July 1, 1991.