

**CS FOR HOUSE BILL NO. 524 (RESOURCES)
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - SECOND SESSION**

BY THE HOUSE RESOURCES COMMITTEE

**Offered: 5/4/92
Referred: Finance**

Sponsor(s): REPRESENTATIVE KOPONEN

A BILL

FOR AN ACT ENTITLED

1 "An Act imposing a fee on transfers of limited entry permits; and providing for an
2 effective date."

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

4 * **Section 1. LEGISLATIVE FINDINGS.** The legislature finds that the residents of the state are
5 responsible for the general financial support of the programs of state government and that the vast
6 majority of support for the programs of state government comes from taxes and revenue from state-
7 owned resources. To a large extent, nonresidents of the state do not financially support the programs
8 of state government that provide services to both residents and nonresidents within the state. These ser-
9 vices include the administration of the various state departments and agencies and their programs, and
10 specifically include fishery management programs. While the United States Constitution prevents the
11 state from discriminating in its delivery of services to nonresidents, the Constitution does not prevent
12 the state from charging nonresidents a differential that compensates the state for the costs and expenses
13 that nonresidents impose on state government as long as the total fees that must be paid by a nonresident
14 are substantially equal to the contributions by state residents when both their fees and their share of the

1 state revenue to which nonresidents make no contribution are taken into account. The legislature
2 believes that the imposition of a higher fee for limited entry permit transfers to nonresidents to enjoy
3 the state-provided benefit is substantially equal to amounts that must be paid by similarly situated
4 residents when the residents' pro rata shares of state revenue to which nonresidents make no contribution
5 are taken into account.

6 * Sec. 2. AS 43 is amended by adding a new chapter to read:

7 CHAPTER 72. LIMITED ENTRY PERMIT TRANSFER FEE.

8 Sec. 43.72.010. TRANSFER FEE IMPOSED. There is imposed a limited entry transfer
9 fee upon each transfer of a limited entry permit under AS 16.43.170. Payment of the fee
10 imposed by this section is the obligation of the seller of the permit. The fee is computed by
11 application of the following rates to the estimated value, at the time of transfer of the limited
12 entry permit, of the class of the permit, as determined by the Commercial Fisheries Entry
13 Commission by regulation adopted under AS 16.43.160 for purposes of calculation of the annual
14 fees for the issuance and annual renewal of permits:

15 (1) the rate applicable for the transfer of a permit to a person who at the time of
16 the transfer is a state resident is one percent of the estimated value of the permit;

17 (2) the rate applicable for the transfer of a permit to a person who at the time of
18 the transfer is not a state resident is three percent of the estimated value of the permit.

19 Sec. 43.72.015. CONTINGENT TRANSFER FEE IMPOSED. If a court finds that the
20 imposition of a higher fee under AS 43.72.010(2) is invalid as a violation of the United States
21 or state constitution, then, instead of the fee imposed by AS 43.72.010, there is imposed a limited
22 entry transfer fee upon each transfer of a limited entry permit under AS 16.43.170. Payment of
23 the fee imposed by this section is the obligation of the seller of the permit. The fee is one
24 percent of the value of the permit based on the estimated value, at the time of transfer of the
25 limited entry permit, of the class of the permit, as determined by the Commercial Fisheries Entry
26 Commission by regulation adopted under AS 16.43.160 for purposes of calculation of the annual
27 fees for the issuance and annual renewal of permits.

28 Sec. 43.72.020. COLLECTION OF FEE. The fee shall be paid to and collected by the
29 department. A limited entry permit subject to the fee may not be transferred by the commission
30 under AS 16.43 until the fee has been paid. In a case in which the fee is not due on a transfer,
31 the permit may not be transferred until suitable notation of the exception has been made by the

1 commission.

2 Sec. 43.72.030. PROVISIONS INAPPLICABLE. The fee does not apply to

3 (1) the transfer of an interim-use permit;

4 (2) a temporary emergency transfer of a permit authorized by AS 16.43.180(a);

5 (3) the transfer of a limited entry permit to the commission;

6 (4) the transfer of a limited entry permit to the state or the Alaska Commercial

7 Fishing and Agriculture Bank as a result of foreclosure of a loan made under AS 16.10.300 -

8 16.10.370 or under AS 44.81.210(a)(20) and 44.81.230 - 44.81.250;

9 (5) the transfer of a limited entry permit by the Department of Commerce and
10 Economic Development under AS 16.10.337 or by the Alaska Commercial Fishing and
11 Agriculture Bank under AS 44.81.250;

12 (6) the transfer of a limited entry permit from one spouse to the other under the
13 terms of a divorce or dissolution decree or in fulfillment of a property settlement agreement;

14 (7) the transfer of a limited entry permit by inheritance; or

15 (8) the transfer of a limited entry permit that is made for a consideration other
16 than cash if the transfer of the permit is

17 (A) from one spouse to another;

18 (B) between a parent or stepparent and the parent's or stepparent's child;

19 (C) between a grandparent and the grandparent's grandchild; or

20 (D) between siblings, whether related by birth, adoption, or the remarriage

21 of a parent.

22 Sec. 43.72.100. DEFINITIONS. In AS 43.72.010 - 43.72.100,

23 (1) "commission" means the Commercial Fisheries Entry Commission;

24 (2) "fee" means the limited entry permit transfer fee imposed by AS 43.72.010
25 or 43.72.015.

26 * Sec. 3. PROVISIONS NOT SEVERABLE. Notwithstanding AS 01.10.030, the provisions of this
27 Act are not severable.

28 * Sec. 4. This Act takes effect January 1, 1993.