

S B

62

HOUSE COMMITTEE REPORT

(9)

Date Referred: February 23, 1989

FURTHER REFERRALS: FINANCE

Date of Committee Action: 4-4-89

The RESOURCES Committee considered:

SB 62

SENATE BILL NO. 62

[SALMON ENHANCEMENT TAX]

"An Act relating to a one percent salmon enhancement tax; and providing for an effective date."

RECOMMENDS:

- replacing with HCS SB 62 (RES) the same title
- the attached amendment(s) a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):

- fiscal impact
- zer fiscal note
- zero with analysis

APPROVES PREVIOUS:

- fiscal note(s) published:
- zero fiscal notes(s) published:
2-6-89

SIGNING DO PASS:

Cliff Davidson
Scott Morrison
Bill Hulse
Henry Hulse

SIGNING OTHER THAN DO PASS: (Do Not Pass, No Recommendation, Amend)

Best Sharp - No Rec
Richard J. Jolley " "

Cliff Davidson
 Chairman's signature

6-0368J ✓
Chenoweth
3/24/89

Original sponsor: Zharoff

1 IN THE SENATE BY THE RESOURCES COMMITTEE
2 HOUSE CS FOR SENATE BILL NO. 62 (Resources)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the salmon enhancement tax; and
7 providing for an effective date."

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

9 * Section 1. AS 43.76 is amended by adding a new section to read:

10 Sec. 43.76.012. ONE PERCENT SALMON ENHANCEMENT TAX. (a) A
11 person holding a limited entry permit under AS 16.43 shall pay a
12 salmon enhancement tax at the rate of one percent of the value of
13 salmon, as defined in AS 43.75.140, that the person removes from the
14 state or transfers to a buyer in the state. The buyer shall collect
15 the salmon enhancement tax at the time the salmon is acquired by the
16 buyer.

17 (b) A one percent salmon enhancement tax may only be levied or
18 collected under (a) of this section

19 (1) in a region designated by the commissioner of fish and
20 game for the purpose of salmon production under AS 16.10.375;

21 (2) if there exists in the region an association determined
22 by the commissioner of fish and game to be a qualified regional asso-
23 ciation under AS 16.10.380; and

24 (3) if the qualified regional association approves the one
25 percent salmon enhancement tax under AS 43.76.015.

26 * Sec. 2. AS 43.76.015(b) is amended to read:

27 (b) The salmon enhancement tax is levied under AS 43.76.010,
28 [OR] 43.76.011, 43.76.012 in a region on the effective date stated
29 on the ballot if

1 (1) it is approved by a majority vote of the eligible
 2 interim-use permit and entry permit holders voting in an election held
 3 under this section in the region; and

4 (2) the election results are certified by the commissioner
 5 of commerce and economic development.

6 * Sec. 3. AS 43.76.015(c) is amended to read:

7 (c) In conducting an election under this section, a qualified
 8 regional association shall adopt the following procedures:

9 (1) The qualified regional association for the region shall
 10 hold at least one public meeting not less than 30 days before the date
 11 on which ballots must be postmarked to be counted in the election to
 12 explain the reason for the proposed salmon enhancement tax and to
 13 explain the registration and voting procedure to be used in the elec-
 14 tion. The qualified regional association shall provide notice of the
 15 meeting by

16 (A) mailing the notice to each eligible interim-use
 17 permit and entry permit holder;

18 (B) posting the notice in at least three public places
 19 in the region; and

20 (C) publishing the notice in at least one newspaper of
 21 general circulation in the region, at least once a week for two
 22 consecutive weeks before the meeting.

23 (2) The qualified regional association shall mail two
 24 ballots to each eligible interim-use permit and entry permit holder.
 25 The first ballot shall be mailed not [NO] more than 45 days before the
 26 date ballots must be postmarked to be counted in the election. The
 27 second ballot shall be mailed not [NO] less than 15 days before the
 28 date ballots must be postmarked to be counted in the election. The
 29 qualified regional association shall adopt procedures to ensure

1 [INSURE] that only one ballot from each eligible interim-use permit
2 and entry permit holder is counted in the election.

3 (3) The ballot shall

4 (A) indicate whether the election relates to a salmon
5 enhancement tax under AS 43.76.010, [OR] to a salmon enhancement
6 tax under AS 43.76.011, or to a salmon enhancement tax under
7 AS 43.76.012;

8 (B) ask the question whether the salmon enhancement
9 tax shall be levied;

10 (C) indicate the boundaries of the region in which the
11 salmon enhancement tax will be levied;

12 (D) provide an effective date for the levy of the
13 salmon enhancement tax; and

14 (E) indicate the date on which returned ballots must
15 be postmarked in order to be counted.

16 (4) The ballots shall be returned by mail and shall be
17 counted by the commissioner of commerce and economic development or by
18 a person approved by the commissioner of commerce and economic de-
19 velopment.

20 * Sec. 4. AS 43.76.020(a) is amended to read:

21 (a) The salmon enhancement tax levied under AS 43.76.010, [OR]
22 43.76.011, or 43.76.012 may be terminated by the commissioner of
23 revenue upon majority vote at an election held under AS 43.76.015 in
24 the region in which the salmon enhancement tax is levied.

25 * Sec. 5. AS 43.76.020(b) is amended to read:

26 (b) A salmon enhancement tax shall be terminated by the commis-
27 sioner of revenue under (a) of this section following an election in a
28 region if

29 (1) a petition is presented to the commissioner of commerce

1 and economic development requesting termination of the salmon enhance-
2 ment tax which is signed by at least 25 percent of the number of
3 persons who voted under AS 43.76.015 in the election approving the
4 salmon enhancement tax in the region;

5 (2) the commissioner of commerce and economic development
6 determines that there are no outstanding loans to the qualified re-
7 gional association under AS 16.10.510 that are secured by the tax;

8 (3) an election is held in accordance with AS 43.76.015;
9 the ballot shall ask the question whether the salmon enhancement tax
10 for the region shall be terminated; the ballot shall be worded so that
11 a "yes" vote is for continuation of the salmon enhancement tax and a
12 "no" vote is for termination of the salmon enhancement tax;

13 (4) [(3)] a majority of the eligible interim-use permit and
14 entry permit holders who vote in the election cast a ballot for the
15 termination of the salmon enhancement tax; and

16 (5) [(4)] the qualified regional association provides
17 notice of the election in accordance with AS 43.76.015 within two
18 months after receiving notice from the commissioner of commerce and
19 economic development that a valid petition under (1) of this sub-
20 section has been received.

21 * Sec. 6. AS 43.76.025(a) is amended to read:

22 (a) A buyer who acquires fisheries resources that [WHICH] are
23 subject to a [THE] salmon enhancement tax imposed by AS 43.76.010,
24 [OR] 43.76.011, or 43.76.012 shall collect the salmon enhancement tax
25 at the time of purchase, and shall remit the total salmon enhancement
26 tax collected during each month to the department [DEPARTMENT OF
27 REVENUE] by the last day of the next month.

28 * Sec. 7. AS 43.76.028(a) is amended to read:

29 (a) The owner of salmon removed from the state is liable for

1 payment of a [THE] salmon enhancement tax imposed by AS 43.76.010,
2 [OR] 43.76.011, or 43.76.012 if, at the time the salmon are removed
3 from the state, the tax payable on the salmon has not been collected
4 by a buyer.

5 * Sec. 8. AS 43.76.035 is amended to read:

6 Sec. 43.76.035. EXEMPTION. This chapter does not apply to
7 salmon harvested under a special harvest area entry permit issued
8 under AS 16.43.400 [TO A REGIONAL ASSOCIATION ESTABLISHED UNDER
9 AS 16.10.380].

10 * Sec. 9. This Act takes effect immediately under AS 01.10.070(c).
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Alaska State Legislature

HOUSE OF REPRESENTATIVES
COMMITTEE ON RESOURCES

POUCH V
JUNEAU, ALASKA 99811
(907) 468-3718

MEMORANDUM

TO: Chief Clerk

FROM: Representative Davidson Co-Chair *Clay*
Representative Menard Co-Chair *Menard*

DATE: March 3, 1989

SUBJECT: House Resources Committee Schedule (REVISED)

CHAIR: Representative Davidson

Monday, March 6, 3:00 p.m.

- ✓ Briefing: High seas salmon interception
- SJR 6 - High seas salmon interception
- HJR 28 - Beringia International Biosphere Reserve
- ✓ SB 62 - Salmon enhancement tax

Tuesday, March 7, 3:00 p.m.

SB 62

- *HB 60 - Extend marine park system
- *HB 124 - Increase sport fishing & hunting license fees

~~SJR 6~~
~~HJR 28~~

CHAIR: Representative Curt Menard

Tuesday, March 7, 7:30 p.m.

HB 99 - Mining rents and royalties, 6(i)

Wednesday, March 8, 3:00 p.m.

- HB 196 - Petroleum storage tanks
- *SB 139 - Extension of Task Force on Guiding and Game
- *HCR 13 - Kenai Peninsula Hydrogeological Surveys
Presentation by the Water Resources Board - Overview

Thursday, March 9, 2:30-4:30 p.m. Capitol 124

HB 112/SB 140 - Big Game Guiding and Sport Hunting
Joint House/Senate Resources Hearing; Public Testimony

Thursday, March 9, 4:30 p.m.

National Outdoor Leadership School - Slide presentation

Friday, March 10, 3:00 p.m.

Southside Denali Development - Overview

VHS - View

Saturday, March 11, 9:00 a.m. - 3:30 p.m.

Overview on Susitna forest planning and Forest Practices Act
Committee Field Trip; Wasilla City Hall, Wasilla



SENATOR FRED F. ZHAROFF

ALASKA STATE LEGISLATURE

P.O. BOX 405, KODIAK, ALASKA 99615 (907) 486-5259

DURING SESSION:


P.O. BOX V, JUNEAU, ALASKA 99811 • (907) 465-3473 • 465-3474

DISTRICT N

ALASKA PENINSULA • ALEUTIAN CHAIN • BRISTOL BAY • KODIAK ISLAND • LAKE CLARK/LAKE ILIAMNA • PRIBILOF ISLANDS • SHUMAGIN ISLANDS

MEMORANDUM

TO: Rep. Cliff Davidson
Co-Chairman
House Resources Committee

FROM: Sen. Fred F. Zharoff 

DATE: March 4, 1989

RE: Senate Bill 62 - "An Act relating to a one percent salmon enhancement tax; and providing for an effective date."

SB 62 establishes a one percent salmon enhancement tax. Current state statutes provide for two percent and three percent salmon enhancement taxes, which the regional aquaculture associations use to fund their operations and to pay for salmon enhancement projects. SB 62 would give the associations the option of having a one percent tax.

The language in SB 62 duplicates present statutes, only adding references to the one percent tax.

SB 62 was introduced at the request of the Bristol Bay Salmon Enhancement Association. The association -- previously named the Imapik Regional Aquaculture Association -- recently reorganized itself after a period of inactivity. The association is planning to conduct an assessment election this year so it can start to raise the funds it needs for salmon enhancement projects. It is crucial that SB 62 be acted on as soon as possible so the association can have the benefit of revenues from the 1989 salmon season.

The association specifically needs a one percent tax to match its projected budget. The potential revenues from two percent and three percent taxes exceed the association's needs at this time.

The following backup information is attached:

1. Sectional analysis.
2. Position paper and fiscal note prepared by the Department of Commerce and Economic Development.
3. Bill analysis prepared by the Department of Fish and Game.
4. Letter from the president of the Bristol Bay Salmon Enhancement Association and resolution of support.

5. Letter of support from the Northern Southeast Regional Aquaculture Association.
6. Letter of support from the Cook Inlet Aquaculture Association.
7. Letter of support from the Prince William Sound Aquaculture Corporation.
8. Letter of support from the Southern Southeast Regional Aquaculture Association.
9. Letter of support from the Egegik Setnetters' Association.
10. State statutes pertaining to the Salmon Enhancement Tax.



SENATOR FRED F. ZHAROFF
ALASKA STATE LEGISLATURE

P.O. BOX 405, KODIAK, ALASKA 99815 (907) 486-5259
DURING SESSION:
P.O. BOX V, JUNEAU, ALASKA 99811 • (907) 465-3473 • 465-3474

DISTRICT N

ALASKA PENINSULA • ALEUTIAN CHAIN • BRISTOL BAY • KODIAK ISLAND • LAKE CLARK/LAKE ILIAMNA • Pribilof Islands • Shumagin Islands

SECTIONAL ANALYSIS

Senate Bill 62 - "An Act relating to a one percent salmon enhancement tax; and providing for an effective date."

SECTION 1

Adds a new section -- AS 43.76.012 -- to existing statutes that establishes a one percent salmon enhancement tax. This would be in addition to the already existing two percent and three percent salmon enhancement taxes. Alaska's regional aquaculture associations now have the option of implementing either two percent or three percent taxes to fund their operations. This section would give them an additional choice.

SECTION 2

Adds a reference to the one percent salmon enhancement tax (43.76.012) to existing statute.

SECTION 3

- (2) Makes grammatical changes to existing statute.
- (3) Adds a reference to the one percent salmon enhancement tax (43.76.012) to existing statute.

SECTION 4

Adds a reference to the one percent salmon enhancement tax (43.76.012) to existing statute.

SECTION 5

Adds a reference to the one percent salmon enhancement tax (43.76.012) to existing statute.

SECTION 6

Adds a reference to the one percent salmon enhancement tax (43.76.012) to existing statute.

SECTION 7

Immediate effective date.

SB 62: "An Act relating to a one percent salmon enhancement tax; and providing for an effective date."


This legislation will provide qualified regional aquaculture associations with the option of voting for a one percent salmon enhancement tax. Existing statute (AS 43.76.010 - 040) allows these associations to conduct elections for the purpose of establishing a tax on salmon harvested within their region. The proceeds of these taxes are collected by the Department of Revenue, deposited in the general fund and then may be appropriated to the Department of Commerce and Economic Development for the purpose of providing financing to the qualified regional association. This financing is provided through contracts with the various associations. AS 43.76.010 - 040 currently provides for establishment of either a two percent or three percent tax. Passage of this legislation would add the option of a one percent tax.

Currently there are seven qualified regional associations within the state, five of which already have salmon enhancement taxes in place. Prince William Sound Aquaculture Association, Cook Inlet Aquaculture Association, and Kodiak Regional Aquaculture Association all have established a two percent tax and Northern Southeast Regional Aquaculture Association and Southern Southeast Regional Aquaculture Association have established a three percent tax. The Bristol Bay Regional Aquaculture Association and the Lower Yukon-Kuskokwim Regional Aquaculture Association have not yet established a salmon enhancement tax in their respective regions.

During calendar year 1987, the following enhancement tax revenues were collected by the Department of Revenue:

Prince William Sound Aquaculture Association	\$1,085,077.00
Cook Inlet Aquaculture Association	2,330,652.00
Northern Southeast Regional Aquaculture Association	1,090,819.00
Southern Southeast Regional Aquaculture Association	1,232,650.00

The Department of Commerce and Economic Development is neutral on this legislation.


 Larry Mercurieff, Commissioner
 Department of Commerce and
 Economic Development

Date: 1/27/89

FISCAL NOTE

REQUEST:

Revision Date: 1/9/89
Title: An Act relating to a 1% salmon enhancement tax.
Sponsor: Zharoff
Requestor: Resources

Agency Affected: Commerce & Econ. Devel.
BRU: Investments
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

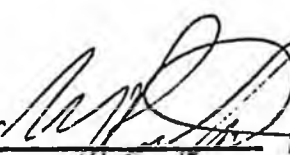
FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Martin J. Richard, Director  Phone: 465-2510
Division: Investments Date: 1/30/89
Approved by Commissioner: Larry Merculieff, Commissioner Date: 465-2500
Agency: Commerce & Economic Development 1/30/89

Distribution (by preparer):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)



STATE OF ALASKA
OFFICE OF THE GOVERNOR
BILL ANALYSIS

DEPARTMENT Fish and Game	DIVISION FRED	BILL NUMBER SB 62	SPONSOR Zharoff
SHORT TITLE OF BILL An Act relating to a one percent salmon enhancement tax			
DEPARTMENT POSITION The department supports this bill as a logical extension to existing legislation.			
PREPARED BY Johnny S. Holland	DATE 1/18/89	COMMISSIONER'S SIGNATURE <i>William H. Miller</i>	DATE 1/20/89

SUMMARY

OTHER AGENCIES AFFECTED BY BILL Department of Commerce & Economic Development Department of Revenue	CONSTITUENT GROUP(S) AFFECTED BY BILL Regional aquaculture associations, commercial fishermen
ORGANIZATIONAL SUPPORT FOR BILL Regional aquaculture associations, commercial fishermen	ORGANIZATIONAL OPPOSITION TO BILL

FISCAL IMPACT: NONE FISCAL NOTE ATTACHED

BACKGROUND/LEGISLATIVE INTENT
There is existing salmon enhancement tax statutes (AS 43.76.010 and AS 43.76.011) allowing for 2 and 3% salmon enhancement taxes. This proposal legislation will amend the existing statutes to include 1% salmon enhancement tax.

ANALYSIS OF BILL/PROGRAM EFFECTS
SB 62 is a logical extension of existing statutes, allowing for taxation at a lower rate than presently statutorily permitted. The lower rate may be needed if: (a) lower revenues are required by regional aquaculture associations; (b) the higher rates are not amendable to fishermen in a given area. This bill allows the regional aquaculture associations to choose from a broader range of self-imposed taxes. There should be no direct effects on the FRED program.

AMENDMENTS PROPOSED
None

PLEASE ATTACH A SEPARATE SHEET FOR ADDITIONAL COMMENTS OR ANALYSIS.

RECEIVED FEB 10 1989

BBSEA
Box 1130
Dillingham, Ak
99576
2 February, 89

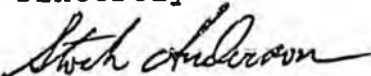
Fred Zharoff Senator
PO Box V
Juneau, Ak 99811

Re: SB 62

Dear Fred,

The enclosed resolution was made last April by BBSEA and speaks for itself as to the need of adopting SB 62. It was the consensus that with the different tax rates in our fishing districts the choice of 1% enhancement tax would be the most appropriate tax for BBSEA. The amount of tax generated by a 1% tax would be a good start for salmon enhancement in Bristol Bay. If you need any further information please let me know.

Sincerely


Stosh Anderson

BRISTOL BAY SALMON ENHANCEMENT ASSOCIATION
PO Box 1130
Dillingham, Alaska 99576

In our Board meeting of April 16, 1988, which took place in Dillingham, Alaska, the following resolution was approved:


Resolved that we will hold an election to approve a salmon enhancement tax. The amount of the enhancement tax is to be one percent, (1%) of the gross value of all salmon caught under commercial fishing provisions, in the Bristol Bay area. (Alaska Fish & Game Area "T") The tax shall apply to all fish caught under the State of Alaska Commercial Fishing Regulations.

This resolution is in accord with the general provisions of Section 43. Revenue and Taxation, of the Alaska Statutes and Regulations for Nonprofit Salmon Hatcheries.

The Board was aware that as of this date, the Alaska Statutes, does not allow for a one per cent (1%) assessment. There was testimony that a one percent assessment option, would be added to the existing choices of either a two or three percent assessments currently allowed under Sec. 43.76.010 and .011. This change was expected to occur before the effective date of this resolution.

The effective date of this resolution is January 1, 1989.

signed this 19 day of April 1988


Stosh Anderson, President

NORTHERN



SOUTHEAST REGIONAL AQUACULTURE ASSOCIATION, INC.

103 Monastery Street Sitka, Alaska 99835 (907) 747-6850

February 17, 1989

Senator Fred Zharoff
Alaska State Legislature
P O Box V
Juneau AK 99811

Dear Senator Zharoff:

This letter is to advise you that we at the Northern Southeast Regional Aquaculture Association have no objection to SB62 authorizing a one percent (1%) enhancement tax for Bristol Bay. I know that the fishermen in Bristol Bay want to get a regional aquaculture association going and I'm sure that this 1% tax will help them realize their goal.

Sincerely,

A handwritten signature in cursive script, appearing to read "Pete Esquiro". The signature is written in dark ink and is positioned above the typed name.

Pete Esquiro
General Manager

PE/sp



RECEIVED FEB 22 1989

COOK INLET
AQUACULTURE ASSOCIATION

HC 2, BOX 848
SOLDOTNA, AK 99689-0707
(907) 283-5781

February 20, 1989

Senator Fred Zharoff
P.O. Box V
Juneau, Alaska 99811

Dear Senator Zharoff:

Cook Inlet Aquaculture Association supports passage of Senate Bill 62. This would allow Regional Aquaculture Associations the option of a 1% enhancement tax in addition to the existing 2% or 3% options.

The 1% option would be very helpful to individuals attempting to organize a Regional Association in Bristol Bay. We do not believe that the existence of a 1% option would cause Cook Inlet fishermen to exert any significant pressure to reduce our enhancement tax from the current (2%) level. We would anticipate no negative impact as a result of passage of SB 62.

Sincerely,

Thomas E. Mears,
Executive Director

RECEIVED FEB 23 1989

Prince William Sound Aquaculture Corporation

P.O. Box 1110
Cordova, Alaska 99574
Phone: (907) 424-7511
Fax: (907) 424-7514



A regional non-profit organization for the enhancement of salmon.

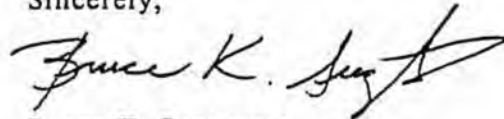
February 20, 1989

Senator Fred F. Zharoff
Alaska State Senate
P. O. Box V
Juneau, Alaska 99811

Dear Senator Zharoff:

We would like to confirm Prince William Sound Aquaculture Corporation's support of Senate Bill 62 which provides the opportunity to assess a 1% salmon enhancement tax in addition to the 2 and 3% rates already present in the statutes. We believe that the 1% tax rate will provide greater flexibility to address specific regional enhancement needs and aid fledgling regional aquaculture associations in developing their programs. Hatchery programs are vital to insure the long term growth and stability of the state's important fishing industry. We view SB 62 as a means of expanding and consolidating these very important programs.

Sincerely,



Bruce K. Suzumoto
President

BKS/pmd

RECEIVED FEB 27 1989

**SOUTHERN SOUTHEAST REGIONAL
AQUACULTURE ASSOCIATION, INC.**

1621 Tongass Ave., #103

(907) 225-9605

Ketchikan, Alaska 99901

February 24, 1989

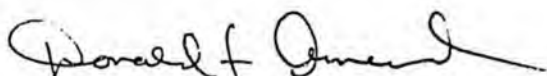
Senator Fred Zharoff
Capital, Room 121
P.O. Box V
Juneau, Alaska 99811

Dear Senator Zharoff:

I am writing to you in support of SB.62 which amends the fisheries enhancement tax statutes by allowing Regional Aquaculture Associations to choose a 1% enhancement tax along with the 2% and 3% choice.

The financial needs of the Regional Aquaculture Associations vary among the different areas of the State. Fishermen who vote to tax themselves should have the option to chose a tax rate commensurate with their needs. The addition of a 1% tax rate along with the other options give more flexibility to the program. The Southern Southeast Regional Aquaculture Association does not believe that your bill would have any adverse affect on our Region and we support your bill.

Sincerely,



Donald F. Amend
General Manager

cc: Robert H. Blake

DFA:cw
81-14

PRIVATE NON PROFIT HATCHERIES

RECEIVED FEB 11 1989

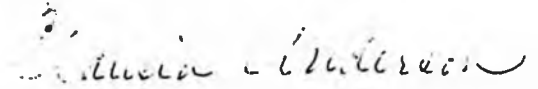
Egegik Setnetters' Association
Levelock, Ak. 99625
Feb. 7, 1989

Senator Zharoff
Pouch V
Juneau, Ak. 99811

Dear Senator,

The Egegik Setnetters' Association would like to thank you for both introducing and supporting SB 62. If any enhancement tax is appropriate for the Bay, 1% surely seems the most reasonable to us.

Sincerely,


Claudia Anderson, treasurer
for
Linda Kjarstad, president

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§ 43.76.010

REVENUE AND TAXATION

§ 43.76.011

Chapter 76. Salmon Enhancement Act.

Section

10. Three percent salmon enhancement tax

11. Two percent salmon enhancement tax

Section

25. Collection of tax and disposition of proceeds

35. Exemption

Sec. 43.76.010. Three percent salmon enhancement tax. (a) A person holding a limited entry permit under AS 16.43 shall pay a salmon enhancement tax at the rate of three percent of the value of salmon, as defined in AS 43.75.140, that the person removes from the state or transfers to a buyer in the state. The buyer shall collect the salmon enhancement tax at the time the salmon is acquired by the buyer.

(b) A three percent salmon enhancement tax may only be levied or collected under (a) of this section

(1) in a region designated by the commissioner of fish and game for the purpose of salmon production under AS 16.10.375;

(2) if there exists in that region an association determined by the commissioner of fish and game to be a qualified regional association under AS 16.10.380; and

(3) if the qualified regional association approves the three percent salmon enhancement tax under AS 43.76.015. (§ 2 ch 154 SLA 1980; am § 13 ch 117 SLA 1981)

Editor's notes. — This section is set out above to reflect a change in the internal reference because of section reorganization.

Sec. 43.76.011. Two percent salmon enhancement tax. (a) A person holding a limited entry permit under AS 16.43 shall pay a salmon enhancement tax at the rate of two percent of the value of salmon, as defined in AS 43.75.140, that the person removes from the state or transfers to a buyer in the state. The buyer shall collect the salmon enhancement tax at the time the salmon is acquired by the buyer.

(b) A two percent salmon enhancement tax may only be levied or collected under (a) of this section

(1) in a region designated by the commissioner of fish and game for the purpose of salmon production under AS 16.10.375;

(2) if there exists in that region an association determined by the commissioner of fish and game to be a qualified regional association under AS 16.10.380; and

(3) if the qualified regional association approves the two percent salmon enhancement tax under AS 43.76.015. (§ 2 ch 154 SLA 1980; am § 14 ch 117 SLA 1981)

Editor's notes. — This section is set out above to reflect a change in the inter-
nal reference because of section reorganization.

Sec. 43.76.025. Collection of tax and disposition of proceeds.

(a) A buyer who acquires fisheries resources which are subject to the salmon enhancement tax imposed by AS 43.76.010 or 43.76.011 shall collect the salmon enhancement tax at the time of purchase, and shall remit the total salmon enhancement tax collected during each month to the Department of Revenue by the last day of the next month.

(b) A buyer who collects the salmon enhancement tax shall

(1) maintain records reflecting the region designated under AS 16.10.375 in which the fishery resource was caught; and

(2) report to the Department of Revenue by March 1 of each year the total value, as defined in AS 43.75.140, of the salmon caught in each region designated under AS 16.10.375 which the buyer has acquired during the preceding year.

(c) The salmon enhancement tax collected under AS 43.76.010 — 43.76.030 shall be deposited in the general fund. The legislature may make appropriations based on this revenue to the Department of Commerce and Economic Development for the purpose of providing financing for qualified regional associations. The legislature may base an appropriation for a qualified regional association operating within a region designated under AS 16.10.375 on the value of the fisheries resources caught in that region rather than the value of the fisheries resources sold in that region if those values differ. (§ 2 ch 154 SLA 1980; am §§ 16, 17 ch 117 SLA 1981)

Editor's notes. — This section is set out above to reflect a change in the inter-
nal reference because of section reorganization.

Sec. 43.76.030. Accounting of financing received as a result of the salmon enhancement tax.

Revisor's notes. — Enacted as AS 16.10.385. Renumbered in 1980.

Sec. 43.76.035. Exemption. This chapter does not apply to salmon harvested under a special harvest area entry permit issued under AS 16.43.400 to a regional association established under AS 16.10.380. (§ 2 ch 152 SLA 1988)

Effective dates. — Section 4, ch. 152, SLA 1988, makes this section effective June 10, 1988, in accordance with AS 01.10.070(c).

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§ 43.76.015

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(3) if the qualified regional association approves the two percent salmon enhancement tax under AS 43.76.015. (§ 2 ch 154 SLA 1980; am § 14 ch 117 SLA 1981)

(a) A pay a lue of from ct the y the

Effect of amendments. — The 1981 amendment, in subsection (a), substituted "removes from the state or transfers to a buyer in the state" for "sells to a processor licensed under AS 43.75.011" in the first sentence and in the second sentence, sub-

stituted "the buyer" for "the processor" preceding "shall collect," deleted "of" following "at the time" and substituted "salmon is acquired by the buyer" for "sale" following "time the."

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Sec. 43.76.015. Election to approve or terminate salmon enhancement tax. (a) A qualified regional association may conduct an election under this section after the commissioner of commerce and economic development approves

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(1) the notice to be published by the qualified regional association;

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(2) the ballot to be used in the election; and

cent 1980;

(3) the registration and voting procedure for the approval or termination of the salmon enhancement tax.

(b) The salmon enhancement tax is levied under AS 43.76.010 or 43.76.011 in a region on the effective date stated on the ballot if

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(1) it is approved by a majority vote of the eligible interim-use permit and entry permit holders voting in an election held under this section in the region; and

(2) the election results are certified by the commissioner of commerce and economic development.

(c) In conducting an election under this section, a qualified regional association shall adopt the following procedures:

(1) A ty a e of rom the the

(1) The qualified regional association for the region shall hold at least one public meeting not less than 30 days before the date on which ballots must be postmarked to be counted in the election to explain the reason for the proposed salmon enhancement tax and to explain the registration and voting procedure to be used in the election. The qualified regional association shall provide notice of the meeting by

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(A) mailing the notice to each eligible interim-use permit and entry permit holder;

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(B) posting the notice in at least three public places in the region; and

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(C) publishing the notice in at least one newspaper of general circulation in the region at least once a week for two consecutive weeks before the meeting.

(2) The qualified regional association shall mail two ballots to each eligible interim-use permit and entry permit holder. The first ballot shall be mailed no more than 45 days before the date ballots must be postmarked to be counted in the election. The second ballot shall be mailed no less than 15 days before the date ballots must be postmarked to be counted in the election. The qualified regional association shall

adopt procedures to insure that only one ballot from each eligible interim-use permit and entry permit holder is counted in the election.

(3) The ballot shall

(A) indicate whether the election relates to a salmon enhancement tax under AS 43.76.010 or to a salmon enhancement tax under AS 43.76.011;

(B) ask the question whether the salmon enhancement tax shall be levied;

(C) indicate the boundaries of the region in which the salmon enhancement tax will be levied;

(D) provide an effective date for the levy of the salmon enhancement tax; and

(E) indicate the date on which returned ballots must be postmarked in order to be counted.

(4) The ballots shall be returned by mail and shall be counted by the commissioner of commerce and economic development or by a person approved by the commissioner of commerce and economic development.

(d) The commissioner of commerce and economic development shall certify the results of an election under this section if the commissioner determines that the requirements of (a) and (c) of this section have been satisfied.

(e) Except as provided in AS 43.76.020(b)(2), an election to terminate a salmon enhancement tax shall be conducted under the same procedures established under (a), (c) and (d) of this section for an election to approve a salmon enhancement tax.

(f) In this section, "eligible interim-use permit and entry permit holder" means an individual who, 90 days before the date ballots must be postmarked to be counted in an election under this section, is listed in the records of the Alaska Commercial Fisheries Entry Commission as the legal owner of an interim-use permit or an entry permit which authorizes the individual to fish commercially in an administrative area established by the Alaska Commercial Fisheries Entry Commission under AS 16.43.200, which is included, in whole or in part, in the region in which the election is held. (§ 2 ch 154 SLA 1980)

Sec. 43.76.020. Termination of salmon enhancement tax. (a) The salmon enhancement tax levied under AS 43.76.010 or 43.76.011 may be terminated by the commissioner of revenue upon majority vote at an election held under AS 43.76.015 in the region in which the salmon enhancement tax is levied.

(b) A salmon enhancement tax shall be terminated by the commissioner of revenue under (a) of this section following an election in a region if

(1) a petition is presented to the commissioner of commerce and economic development requesting termination of the salmon enhancement tax which is signed by at least 25 percent of the number of persons who voted under AS 43.76.015 in the election approving the salmon enhancement tax in the region;

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§ 43.76.025

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(2) an election is held in accordance with AS 43.76.015; the ballot shall ask the question whether the salmon enhancement tax for the region shall be terminated; the ballot shall be worded so that a "yes" vote is for continuation of the salmon enhancement tax and a "no" vote is for termination of the salmon enhancement tax;

(3) a majority of the eligible interim-use permit and entry permit holders who vote in the election cast a ballot for the termination of the salmon enhancement tax;

(4) the qualified regional association provides notice of the election in accordance with AS 43.76.015 within two months after receiving notice from the commissioner of commerce and economic development that a valid petition under (1) of this subsection has been received. (§ 2 ch 154 SLA 1980; am § 15 ch 117 SLA 1981)

Effect of amendments. — The 1981 amendment added "or 43.76.011" following "AS 43.76.010" in subsection (a).

Sec. 43.76.025. Collection of tax and disposition of proceeds.

(a) A buyer who acquires fisheries resources which are subject to the salmon enhancement tax imposed by AS 43.76.010 or 43.76.011 shall collect the salmon enhancement tax at the time of purchase, and shall remit the total salmon enhancement tax collected during each month to the Department of Revenue by the last day of the next month.

(b) A buyer who collects the salmon enhancement tax shall

(1) maintain records reflecting the region designated under AS 16.10.375 in which the fishery resource was caught; and

(2) report to the Department of Revenue by March 1 of each year the total value, as defined in AS 43.75.140(8), of the salmon caught in each region designated under AS 16.10.375 which the buyer has acquired during the preceding year.

(c) The salmon enhancement tax collected under AS 43.76.010 — 43.76.030 shall be deposited in the general fund. The legislature may make appropriations based on this revenue to the Department of Commerce and Economic Development for the purpose of providing financing for qualified regional associations. The legislature may base an appropriation for a qualified regional association operating within a region designated under AS 16.10.375 on the value of the fisheries resources caught in that region rather than the value of the fisheries resources sold in that region if those values differ. (§ 2 ch 154 SLA 1980; am §§ 16, 17 ch 117 SLA 1981)

Effect of amendments. — The 1981 amendment substituted "buyer" for "processor" and substituted "acquires" for "buys" in subsection (a). In subsection (b), the amendment substituted "buyer" for "processor" in the introductory language and in paragraph (2) and substituted "acquired" for "purchased" preceding "during the preceding year" in paragraph (2).