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SENATE COMMITTEE REPORT

FURTHER

No further

2/16/89

DATE TURNED INTO OFFICE

2/11/89

Mr. President:

Finance

Committee considered

SB 159

making a supplemental appropriation to the department of Revenue for reimbursement to municipalities under the fisheries tax refund program and the aviation fuel revenue sharing; efd and recommended

- replace with _____ CS _____) same title
- or adopt _____ CS _____) new title
- attached amendment(s) and technical title change (HB only)
- _____ letter of intent adopted

Majority
 do pass

- do not pass
- no recommendation
- individual recommendations
- further referral to _____

Approved

FISCAL NOTE(S) zero fiscal impact ^(73,457,774) appropriation no EN

new updated previous

same as previous fiscal note(s) published _____

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

[Handwritten signatures]

Chairman signature and recommendation

[Handwritten signature]
Chairman signature and recommendation

Committee Backup attached

<u>Funding Information</u>	
General Fund	\$3,457,774
Other Funds	- 0 -
	<u>\$3,457,774</u>

BY ZHAROFF, STURGULEWSKI,
DUNCAN, FAIKS, KERTTULA,
SZYMANSKI, JONES, COGHILL

1 IN THE SENATE

2

SENATE BILL NO. 153

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SIXTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act making a supplemental appropriation to the
7 Department of Revenue for reimbursement to municipal-
8 ities under the fisheries tax refund program and the
9 aviation fuel revenue sharing; and providing for an
10 effective date."

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

12 * Section 1. The sum of \$3,411,196 is appropriated from the general
13 fund to the Department of Revenue for reimbursement to municipalities under
14 AS 43.75.130 (fisheries tax refund program).

15 * Sec. 2. The sum of \$46,578 is appropriated from the general fund to
16 the Department of Revenue for payment to municipalities under AS 43.40.-
17 010(e) (aviation fuel revenue sharing program).

18 * Sec. 3. The unexpended and unobligated balance of the appropriation
19 made by this Act lapses into the general fund June 30, 1989.

20 * Sec. 4. This Act takes effect immediately under AS 01.10.070(c).



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) 485-3473 • 485-3474

DISTRICT N

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

MEMORANDUM

TO: Senator Rick Uehling, Co-Chairman
Senate Finance Committee

FROM: Senator Fred F. Zharoff 

DATE: February 16, 1989

SUBJ: Scheduling of SB 153

On Friday, February 3, 1989, I introduced SB 153, "An Act making a supplemental appropriation to the Department of Revenue for reimbursement to municipalities under the fisheries tax refund program and the aviation fuel revenue sharing; and providing for an effective date." This bill was referred to the Resources and Finance Committees. The Resources Committee considered this bill on February 15 and moved it to Finance with 5 "do pass" recommendations and one "no recommendation".

The intent of SB 153 is to reimburse to communities the funds they are entitled to from state collected revenues under the fisheries tax and aviation fuel revenue sharing programs. The FY 89 budget passed by the legislature in 1988 did not authorize the Department of Revenue to distribute all the fish tax revenues municipalities were entitled to due to an underestimation of the amount of fish taxes that would be collected by the state under this program by the Department of Revenue. Therefore, this bill would allow the DOR to distribute the remaining amount due to communities.

The Aviation Fuel Tax Revenue Sharing program portion of the bill allows the DOR to share with the Municipality of Anchorage funds under this program that the DOR did not anticipate receiving in FY 89 at Merrill Field and therefore no legislative authorization to distribute these funds to Anchorage was given during the 1988 session.

Since many communities based their municipal budgets on receiving all they were entitled to under these programs, I am hopeful that this bill will move quickly through the legislature. I did not want these funds tied up until the end of session with the governor's supplemental appropriations bill. Because municipalities are counting on receipt of these funds to balance their budgets, I respectfully request that the Senate Finance committee schedule a hearing on this bill at its earliest possible convenience.

Sen. Zharoff

SECTIONAL ANALYSIS OF SENATE BILL 153

SECTION 1: Appropriates the amount still owed to municipalities and boroughs under the fisheries tax refund program (AS 43.75.130(a)) to the Department of Revenue for disbursement. The amount still owed is \$3,411,196.

SECTION 2: Appropriates the amount still owed to the Municipality of Anchorage under the Aviation Fuel Revenue sharing program (AS 43.40.010(e)) to the Department of Revenue for disbursement. The amount still owed is \$46,578.

SECTION 3: Lapses the unexpended and unobligated balances created by this bill on July 1, 1989.

SECTION 4: Provides for an immediate effective date.

SECTIONAL ANALYSIS

Sen. Zharoff

BILL SUMMARY OF SB 153

Under AS 43.75.130, the state is obligated to reimburse to communities one half of the revenues collected under the fisheries business tax collected in those communities where processing occurs. Traditionally, the Department of Revenue would estimate the amount that the state would be obligated to reimburse to the communities under this program and provide that information to the legislature for inclusion in DOR's budget. The problem with this approach is that DOR does not know the exact amount to be distributed during a given fiscal year by the time the legislature adjourns because of the timing of collections of the tax. This has created underfunding in the budget of the amount to be reimbursed to communities in each of the past two operating budgets. Last year, the legislature passed a supplemental appropriation of \$730,264 because of underfunding. This year, the amount of underfunding has been calculated to be \$3,411,196, or roughly 30% of the total amount the state is obligated to share. All the fish taxes have been collected. the state has received its share and the \$3.4 million remaining obligation to municipalities has been collected and deposited in the general fund. All that remains is for legislative authorization to distribute these funds.

The Aviation Fuel Revenue Sharing supplemental is similiar. Sixty percent of the aviation fuel taxes collected by the state (minus administrative costs) are refunded to municipalities owning or leasing and operating an airport. The \$46,579 included in Section 2 is the Municipality of Anchorage's share of unanticipated, and therefore unbudgeted, Aviation Fuel taxes collected at Merrill Field.

The Department of Revenue submitted these supplementals for inclusion in the governor's supplemental bill, but since municipalities are counting on these funds for their FY 89 budgets, I have introduced SB 153 in hopes that this bill will receive expedited action and these funds will not be held up in the governor's supplemental.

STATE OF ALASKA
STATE OF ALASKA

STEVE COWPER, GOVERNOR

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

P.O. BOX 5
JUNEAU, ALASKA 99811-0400
PHONE: (907) 465-2300
TELEFAX: (907) 465-2389

February 14, 1989

The Honorable Fred Zharoff
Alaska State Senate
P.O. Box V
Juneau, AK 99811

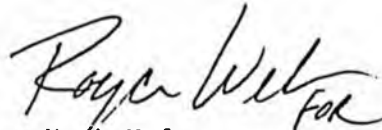
Dear Senator Zharoff:

This is in response to your request for this Department's position on Senate Bill 153.

As you know, the Department of Revenue has requested supplemental appropriations to fully fund the shared taxes program for FY89. The initial appropriation was based on a Department of Revenue estimate and was short approximately \$3.4 million. More than 50 municipalities and boroughs throughout Alaska are affected. The supplemental request process has been a routine measure in recent years. We have proposed language in this years budget bill (HB 100) which would authorize the Department to pay out all shared taxes collected under the various tax statutes. This would effectively put an end to our annual request for a supplemental to make a late payment of revenues to the communities.

SB 153 is intended to speed up the supplemental process by providing a separate appropriation bill to fund the refund program. It is anticipated that this legislation would pass through the legislature much more quickly than HB 100. It is important that communities receive these funds quickly. The Department supports your efforts to assist us in obtaining these necessary funds.

Sincerely,




Hugh Malone
Commissioner
Department of Revenue
(907)465-2300

89-48

STATE OF ALASKA
DEPARTMENT OF REVENUE
INCOME AND EXCISE AUDIT DIVISION

M E M O R A N D U M

TO: Nancy Bennett
Director
Administrative Services

FROM: Steven E. Kettel 
Director
Income & Excise Audit Division

DATE: January 13, 1989 .

SUBJECT: FY 89 Aviation Fuel
Supplemental Request

We request \$46,578.11 in a supplemental for FY 89 Aviation Fuel Revenue Sharing. This amount is derived from taxes collected from Merrill Field Airport which we were unable to share until this time. This request should be funded from general fund monies.

cc: Sandra Yadao
Brenda Vaughn
Shirley Minnick

JH:SEK:lr

MEMORANDUM

STATE OF ALASKA

DEPARTMENT OF REVENUE

TO: Nancy Bennett
Director
Administrative Services

DATE: November 1, 1988

FILE NO: 6099I

TELEPHONE NO: 465-2320

THRU:

SUBJECT: FY 89 Raw Fish
Supplemental

FROM: Steven E. Kettel
Director
Income and Excise Audit Division

We request \$3,411,196.00 in a supplemental for FY 89 Raw Fish Revenue Sharing. This request should be funded from general fund monies.

cc: Sandra Yadao
Shirley Minnich

FY 85 RAW FISH
SHARED REVENUE - CITIES AND BOROUGHS

	TOTAL #	AMT FOR FY 85 SHARING	AMT SHARED	TOTAL FY 85
MUA 635	Anchorage Municipality	224,010.90	117,535.97	70,475.03
CBJ 496	Juneau	23,469.22	16,519.90	6,949.32
CIS 599	Sitka	316,496.50	222,522.59	93,773.68
BBB 699	Bristol Bay Borough	1,407,775.62	990,247.24	416,042.29
FNS 462	North Star Borough	413.99	294.93	124.06
HAB 944	Haines Borough	126,422.01	102,296.62	43,452.39
KPB 465	Kenai Peninsula Borough	1,474,563.05	1,027,244.93	426,119.72
KGB 466	Ketchikan Gateway Borough	157,154.79	107,205.06	45,349.73
KIB 128	Kodiak Island Borough	1,149,361.73	809,297.70	340,474.03
MAB 586	Matanuska-Susitna Borough	22.34	57.96	24.38
NSB 460	North Slope Borough			
NAB 168	NORTHWEST ARCTIC BOROUGH	10.36	7.29	3.27
NEB 138	ALEUTIANS EAST BOROUGH	9,523.58	6,172.01	3,344.57
TOTAL BOROUGHS		4,920,136.14	3,462,479.50	1,457,436.71

CIA 323	Akiok			
CIA 322	Akiachak			
CIA 321	Akiak			
CIA 072	Akutan	376,494.36	244,269.54	132,224.82
CIA 693	Alakanuk			
CAL 596	Aleknagik			
CAL 597	Allakaket			
CIA 143	Ambler			
CAP 063	Anaktuvok Pass			
CIA 275	Anderson			

Subtotal this page 376,494.36 244,269.54 132,224.82

SHARED REVENUE - CITIES AND BOROUGHES

CIA 461	Anqoon			
CIA 062	Aniak	236.46	166.44	70.02
CIA 057	Anvik	904.08	636.38	267.70
CIA 565	Atmautluak			
COA 027	Atkasuk			
CIB 781	Barrow			
CIB 819	Bethel	30,055.48	21,156.05	8,899.43
CBM 320	Brevig Mission			
CBU 595	Buckland			
CIC 132	Chauthbaluk			
CIC 319	Chefornak			
CIC 202	Chevak			
COC 272	Chitlik	282,144.29	202,824.77	85,319.52
CCP 269	Clark's Point	44,117.93	31,054.65	13,063.33
CCB 210	Cold Bay			
CIC 801	Cordova	810,736.13	570,574.35	240,157.78
CIC 492	Craig			
CID 317	Deering			
CDJ 475	Delta Junction			
CID 836	Dillingham	1,470.69	1,035.22	435.47
CID 072	Diomedes			
CEA 594	Eagle			
CIE 061	Eek			
CIE 316	Ekwok			
CIE 593	Elim			

Subtotal this page 1,175,661.11 827,447.96 348,213.25

SHARED REVENUE - CITIES AND BOROUGHS

CIE 322	Emmonak			
CIF 635	Fairbanks	7.19	5.06	2.13
CFY 463	Fort Yukon			
CIF 201	Fortuna Ledge	9,411.44	6,624.71	2,786.73
CIG 271	Galena	1,633.27	1,149.66	483.61
CIG 231	Gambell			
CIG 315	Golovin			
CGB 110	Goodnews Bay			
CIG 200	Grayling			
CIH 871	Haines	297.71	209.56	88.15
CHC 590	Holy Cross			
CIH 724	Homer	169,922.24	119,509.26	50,413.98
CIH 254	Hoonah	47,310.70	33,302.00	14,008.70
CHB 589	Hooper Bay			
CJH 520	Houston			
CIH 314	Hughes			
CIH 852	Huslia			
CIH 230	Hydaburg			
CIK 111	Kachemak			
CIK 464	Kake	24,136.93	16,989.99	7,146.94
CIK 313	Kaktovik			
CIK 197	Kaltaq			
CIK 927	Kasaan			
COK 301	Kasiqluk			
CIK 891	Kenai	212,056.64	255,414.70	107,441.85

Subtotal this page 615,576.12 433,204.03 182,372.09

SHARED REVENUE - CITIES AND BOROUGHES

CIK 709	Ketchikan	125,453.22	88,306.52	37,146.70.
CIK 060	Kiana			
CKC 059	King Cove	574,007.31	372,415.94	201,591.37
CIK 196	Kivalina			
CIK 229	Klawock	9,266.04	6,522.37	2,743.67.
CIK 312	Kobuk			
CIK 916	Kodiak	820,675.22	619,909.40	260,768.82
CIK 311	Kotlik			
CIK 679	Kotzebue	10.36	7.29	3.07
CIK 195	Koyuk			
CIK 228	Koyukuk			
CIK 088	Kupreanof			
CIK 133	Kwethluk			
CLB 218	Larsen Bay	5,042.56	3,449.46	1,593.10
CIL 199	Lower Kalskaq			
CIM 310	Manokotak			
CMC 599	McGrath			
CIM 109	Mekoryuk	62.68	44.12	18.56
CMV 111	Mountain Village	26,827.35	18,823.77	7,943.58
CIN 309	Napakiak			
CIN 308	Napaskiak			
CIN 291	Nenana	836.00	502.46	247.54
CNS 226	New Stuyahok			
CIN 521	Newhalen			
CIN 194	Newtok			

Subtotal this page 1,627,122.44 1,110,122.52 517,056.41

SHARED REVENUE - CITIES AND BOROUGHS

CIN 853	Niagtmute			
CIN 085	Nikolai			
CIN 936	Nome			
CIN 174	lton			
CIN 227	Noorvik			
CNP 676	North Pole			
CNU 598	Nuqsut			
CIN 314	Nunapitchuk			
NCC 026	Nulato	545.51	383.93	161.53
COH 108	Old Harbor			
CIO 469	Ouzinkie			
CIP 644	Palmer			
CIP 470	Pelican	124,091.58	87,341.02	36,740.56
CIP 181	Petersburg	566,134.03	398,401.74	167,732.29
CIP 194	Pilot Station			
CIP 307	Platinum			
CPH 224	Point Hope			
CPA 471	Port Alexander			
CPH 306	Port Heiden			
CPL 107	Port Lions			
CIO 193	Quinagak			
CIR 225	Ruby			
CRM 305	Russian Mission			
CSG 054	Saint George			
CSM 472	Saint Marys			

Subtotal this page 690,761.12 496,126.74 204,634.39

SHARED REVENUE - CITIES AND BOROUGHES

CIS 192	Saint Michael	3,111.57	2,190.23	921.34.
CSP 331	Saint Paul	144,789.86	101,917.58	42,872.28
CSP 978	Sand Point	167,222.23	108,529.08	58,693.15.
CIS 106	Savoonga			
CIS 583	Saxman			
CIS 191	Scammon Bay			
CIS 058	Selawik			
CIS 624	Seldovia	12,500.00	8,798.75	3,701.25.
COS 266	Seward	220,692.30	155,345.31	65,346.99
CIS 190	Shageluk			
CIS 189	Shaktolik			
CSP 522	Sheldon Point			
CIS 105	Shishmaref			
CIS 188	Shunqnak			
CIS 396	Skaqway			
CIS 564	Soldotna			
CIS 187	Stebbins			
CIT 855	Tanana			
CIT 473	Teller			
CTS 272	Ten-kee Springs	147.92	104.16	43.82.
CTB 301	Thorne Bay			
CIT 854	Toqiak	58,215.22	37,529.36	15,786.96
CTB 223	Toksook Bay	141.12	99.22	41.79.
CIT 305	Tuluksak			
CIT 186	Tununak			

Subtotal this page 601,921.32 414,513.30 197,407.58

SHARED REVENUE - CITIES AND BOROUGHS

CIU 258	Unalakleet			
CIU 215	Unalaska	944,291.94	664,687.10	279,604.84
CIU 198	Upper Kalskaq			
CIV 401	Valdez	165,389.93	116,418.01	48,971.97
CIW 222	Wainwright			
CIW 185	Wales			
CIW 159	Wasilla			
CWM 304	White Mountain			
CIW 474	Whittier	24,527.46	17,264.99	7,262.58
CIW 559	Wrangell	38,059.99	26,799.65	11,269.24
CIY 479	Yakutat	134,217.41	94,475.63	39,741.78

CITIES	Subtotal - Page 7	1,306,425.68	919,635.27	386,850.41
	Page 6	601,921.38	414,513.90	187,407.53
	Page 5	690,761.12	486,126.74	204,634.38
	Page 4	1,622,193.74	1,110,127.33	512,056.41
	Page 3	615,576.12	433,204.03	182,372.09
	Page 2	1,175,661.11	827,447.96	348,213.25
	Page 1	376,494.36	244,269.54	132,224.92

Total Cities 6,399,002.51 4,435,221.57 1,957,752.94

Total Boroughs 4,927,125.11 3,412,697.50 1,451,427.64

GRAND TOTAL 11,309,219.65 7,899,024.07 3,411,195.58

FISH TAX SUPPLEMENTAL BY DISTRICT

<u>DIST</u>	<u>COMMUNITY</u>	<u>AMOUNT</u>
A	Ketchikan Gateway Borough	45,349.73
A	City of Ketchikan	37,146.70
A	Petersburg	167,732.29
A	Wrangell	<u>11,269.24</u>
	Total Dist A	261,497.96
B	Sitka	93,773.68
B	Haines Borough	43,452.39
B	Haines	88.15
B	Hoonah	14,008.70
B	Kake	7,146.94
B	Klawock	2,743.67
B	Pelican	36,740.56
B	Tenakee Springs	43.82
B	Yakutat	<u>39,741.78</u>
	Total Dist B	237,739.69
C	Juneau	<u>6,949.32</u>
	Total Dist C	6,949.32
D	Kenai Peninsula Borough	436,618.12
D	Homer	50,413.98
D	Kenai	107,441.85
D	Seldovia	<u>3,701.25</u>
	Total Dist D	598,175.20
E	Mat-Su Borough	24.38
E	Cordova	240,157.78
E	Seward	65,346.99
E	Valdez	48,971.97
E	Whittier	<u>7,262.58</u>
	Total Dist E	361,763.70
F-I	Anchorage	<u>70,475.03</u>
	Total Dist F-I	70,475.03
J	Nenana	<u>247.54</u>
	Total Dist J	247.54

FISH TAX SUPPLEMENTAL BY DISTRICT

K	Fairbanks North Star Borough	124.06
K	Fairbanks	<u>2.13</u>
	Total Dist K	126.19
L	Northwest Arctic Borough	3.07
L	Kotzebue	3.07
L	St. Michael	<u>921.34</u>
	Total Dist L	927.48
M	Aniak	70.02
M	Anvik	267.70
M	Bethel	8,899.43
M	Fortuna Ledge	2,786.73
M	Galena	483.61
M	Mekoryuk	18.56
M	Mountain Village	7,943.58
M	Nulato	161.53
M	Toksook Bay	<u>41.79</u>
	Total Dist M	20,672.95
N	Bristol Bay Borough	416,848.28
N	Kodiak Island Borough	340,474.08
N	Aleutians East Borough	3,344.57
N	Akutan	132,224.82
N	Chignik	85,319.52
N	Clark's Point	13,063.33
N	Dillingham	435.47
N	King Cove	201,591.37
N	Kodiak	260,768.82
N	Larsen Bay	1,593.10
N	St. Paul	42,872.28
N	Sand Point	58,693.15
N	Togiak	15,786.96
N	Unalaska	<u>279,604.84</u>
	Total Dist N	1,852,620.59
	Statewide Total	3,411,195.65

Resolution of the Alaska Municipal League

Resolution No. 89-36

**A RESOLUTION URGING THE LEGISLATURE TO PASS A
SUPPLEMENTAL APPROPRIATION FOR FULL FUNDING
OF THE RAW FISH TAX PROGRAM**

WHEREAS, under the provisions of AS 43.75.130, the State of Alaska annually remits a share of raw fish tax revenues to the municipalities from which the tax was collected, and

WHEREAS, the amount of these revenues, as provided in the statute, is based on the actual raw fish taxes collected from processors located within a given municipality, and

WHEREAS, the State of Alaska has failed to return the full amount to the municipalities as provided in the statutes, and

WHEREAS, the State Legislature failed to appropriate sufficient monies to fund the Raw Fish Tax Program;

NOW, THEREFORE, BE IT RESOLVED that the Alaska Municipal League urges the Alaska State Legislature to pass a supplemental appropriation fully funding the Raw Fish Tax Program and TO authorize prompt remittance of the balance due the affected municipalities.

BE IT FURTHER RESOLVED that the Alaska Municipal League requests the State to adopt legislation, regulations, and policies that will ensure the appropriation of the full share of Raw Fish Tax revenues due municipalities by August 1 of each year.

Adopted at Annual Business Meeting o November 18, 1988 o Fairbanks, Alaska

- RESOLUTIONS OF SUPPORT -