

S B

62



Official Business

COMMITTEE:
SENATE RESOURCES & INTERNATIONAL TRADE

DATE: 2/3/89

SIGN-IN

Subject of meeting:

SCR 6 Wishbone Coal Mine
SB 82 CRAB LOANS & LENDING PRACTICES
SB 62 SALMON ENHANCEMENT TAX

PLEASE PRINT!

NAME ADDRESS PHONE REPRESENTING DO YOU WANT TO TESTIFY?

| | | | | |
|---------------|----------------------|----------|--------------------|-------------------------|
| ROLAND SHANKS | ADFIG | 115-4100 | ADFIG | Questions ON SB62 |
| ED CRANG | CFAB | 276-2007 | CFAB | YES SB82 |
| LARRY CARRO | DCED. Div of Banking | | DCED | FOR QUESTIONS ONLY SB82 |
| GREG WINEGAR | DCED | 465-2516 | | 62 SB 82 |
| BRUCE TWOMLEY | CFEC (ENTRY COMM.) | 465-4081 | CFEC (Entry Comm.) | SB 82 - ONLY IF (ASK) |
| | | | | |
| | | | | |
| | | | | |
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STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY
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POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

SB 62

*Joint Resources and
International Trade & Tourism*

2/3/89

CONCURRENCE

Bill/Resolution History

07:22 AM 04/29/89

Page 1

BILL: SB 62

NAME: HCS SB 62(RES)

TITLE: "An Act relating to the salmon enhancement tax; and providing for an effective date."

PRIME SPONSOR: ZHAROFF

FUNDING : \$000 GENERAL(FNOTE)

\$000 OTHER(FNOTE)

CURRENT STATUS: AWAITING CONC/RECED

STATUS DATE: 04/28/89

Selection=>

| | | | | | | | | | | | |
|------|-----|------|------|------|-------|-----|-----|-----|-------|------|------|
| PF1 | PF2 | PF3 | PF4 | PF5 | PF6 | PF7 | PF8 | PF9 | PF10 | PF11 | PF12 |
| HELP | | EXIT | MENU | TEXT | PRINT | BWD | FWD | | FIRST | LAST | QUIT |

4AU e-028 LINE 22 COL 14

SR 62 Journal & Committee Action Page 2 of 4

Current Status: AWAITING CONC/RECED

| Date | Page | Action |
|-------------|------|--|
| 1 12/30/88 | | (S) PROFILE RELEASED |
| 2 01/09/89 | 25 | (S) READ THE FIRST TIME - REFERRAL(S) |
| 3 01/09/89 | 25 | (S) RESOURCES, THEN FINANCE |
| 4 02/03/89 | N/A | (S) RES AT 1:30 PM BUTROVICH ROOM 205 |
| 5 02/06/89 | 328 | (S) RES RPT 5DP |
| 6 02/06/89 | 328 | (S) ZERO FISCAL NOTE PUBLISHED |
| 7 02/16/89 | 440 | (S) FIN RPT 5DP |
| 8 02/16/89 | 440 | (S) PREVIOUS ZERO FISCAL NOTE 2/6/89 |
| 9 02/16/89 | N/A | (S) FIN AT 9:30 AM FINANCE ROOM 518 |
| 10 02/16/89 | N/A | (S) RUL AT 1:15 PM BUTROVICH ROOM 205 |
| 11 02/16/89 | N/A | (S) MINUTE(RUL) |
| 12 02/21/89 | 470 | (S) RULES TO CALENDAR |
| 13 02/21/89 | 471 | (S) READ THE SECOND TIME |
| 14 02/21/89 | 472 | (S) ADVANCED TO THIRD READING UNAN CONSENT |
| 15 02/21/89 | 472 | (S) READ THE THIRD TIME SB 62 |
| 16 02/21/89 | 472 | (S) PASSED Y20 N- |
| 17 02/21/89 | 472 | (S) EFFECTIVE DATE SAME AS PASSAGE |
| 18 02/21/89 | 474 | (S) TRANSMITTED TO (H) |

Selection=>

| | | | | | | | | | | | |
|------|-----|------|------|------|-------|-----|-----|------|-------|------|------|
| PF1 | PF2 | PF3 | PF4 | PF5 | PF6 | PF7 | PF8 | PF9 | PF10 | PF11 | PF12 |
| HELP | | EXIT | MENU | TEXT | PRINT | BWD | FWD | JRNL | FIRST | LAST | QUIT |

4AU e-028 LINE 22 COL 14

SB 62 Journal & Committee Action Page 3 of 4

Current Status: AWAITING CONC/RECED

| Date | Page | Action |
|-------------|------|--|
| 1 02/23/89 | 422 | (H) READ THE FIRST TIME - REFERRAL(S) |
| 2 02/23/89 | 422 | (H) RESOURCES, FINANCE |
| 3 02/24/89 | N/A | (S) MINUTE(RES) |
| 4 03/06/89 | N/A | (H) RES AT 3:00 PM CAPITOL ROOM 124 |
| 5 03/06/89 | N/A | (H) MINUTE(RES) |
| 6 03/13/89 | N/A | (H) RES AT 3:00 PM CAPITOL ROOM 124 |
| 7 04/04/89 | N/A | (H) MINUTE(RES) |
| 8 04/04/89 | N/A | (H) MINUTE(RES) |
| 9 04/05/89 | 866 | (H) RES RPT HCS(RES) NEW TITLE 4DP 2NR |
| 10 04/05/89 | 866 | (H) TITLE WAIVER FOR SB 62 PASSED - HCR 25AM |
| 11 04/05/89 | 867 | (H) PREVIOUS SEN ZERO FN(COMMERCE) 2/6/89 |
| 12 04/20/89 | N/A | (H) FIN AT 8:30 AM FINANCE ROOM 519 |
| 13 04/21/89 | 1164 | (H) FIN RPT HCS(RES) 5DP 3NR |
| 14 04/21/89 | 1164 | (H) PREVIOUS SEN ZERO FN (COMMERCE) 2/6/89 |
| 15 04/28/89 | | (H) RULES TO CALENDAR 4/28/89 |
| 16 04/28/89 | 1328 | (H) READ THE SECOND TIME |
| 17 04/28/89 | 1328 | (H) RES HCS ADOPTED UNAN CONSENT |
| 18 04/28/89 | 1329 | (H) ADVANCED TO THIRD READING UNAN CONSENT |

Selection=>

| | | | | | | | | | | | |
|------|-----|------|------|------|-------|-----|-----|------|-------|------|------|
| PF1 | PF2 | PF3 | PF4 | PF5 | PF6 | PF7 | PF8 | PF9 | PF10 | PF11 | PF12 |
| HELP | | EXIT | MENU | TEXT | PRINT | BWD | FWD | JRNL | FIRST | LAST | QUIT |

4AU e-028 LINE 22 COL 14

SB 62 Journal & Committee Action Page 4 of 4

Current Status: AWAITING CONC/RECED

| Date | Page | Action |
|------------|------|--|
| 1 04/28/89 | 1329 | (H) READ THE THIRD TIME HCS SB 62(RES) |
| 2 04/28/89 | 1329 | (H) PASSED Y39 N- A1 |
| 3 04/28/89 | 1329 | (H) EFFECTIVE DATE SAME AS PASSAGE |
| 4 04/28/89 | | (H) TRANSMITTED TO (S) AS AMENDED |

Selection=>
 PF1 PF2 PF3 PF4 PF5 PF6 PF7 PF8 PF9 PF10 PF11 PF12
 HELP EXIT MENU TEXT PRINT BWD FWD JRNL FIRST LAST QUIT
 4AU e-c28 LINE 22 COL 14

Bill/Resolution History 07:24 AM 04/29/89 Page 1
 BILL: HCR 25
 NAME: HCR 25 AM
 TITLE: Suspending Uniform Rules 41(b), 24(c),
 and 35 of the Alaska State Legislature
 concerning Senate Bill No. 62.

PRIME SPONSOR: RESOURCES

CURRENT STATUS: LEGIS RESOLVE 11 STATUS DATE: 04/05/89

Selection=>
 PF1 PF2 PF3 PF4 PF5 PF6 PF7 PF8 PF9 PF10 PF11 PF12
 HELP EXIT MENU TEXT PRINT BWD FWD JRNL FIRST LAST QUIT
 4AU e-c28 LINE 22 COL 14

HCR 25 Journal & Committee Action Page 2 of 3
 Current Status: LEGIS RESOLVE 11

| Date | Page | Action |
|-------------|------|---------------------------------------|
| 1 03/17/89 | 652 | (H) READ THE FIRST TIME - REFERRAL(S) |
| 2 03/17/89 | 652 | (H) RULES |
| 3 03/23/89 | 738 | (H) ZERO FISCAL NOTE (H. RES) 3/22/89 |
| 4 03/23/89 | 738 | (H) RULES TO CALENDAR 3/23/89 |
| 5 03/23/89 | 746 | (H) READ THE SECOND TIME |
| 6 03/23/89 | 746 | (H) AMENDMENT NO 1 BY DAVIDSON |
| 7 03/23/89 | 746 | (H) AM NO 1 ADOPTED UNAN CONSENT |
| 8 03/23/89 | 747 | (H) PASSED Y30 N3 X5 A2 |
| 9 03/23/89 | 747 | (H) RIEGER NOTICE OF RECONSIDERATION |
| 10 03/23/89 | 747 | (H) RECONSIDERATION NOTICE WITHDRAWN |
| 11 03/23/89 | 751 | (H) TRANSMITTED TO (S) HCR 25AM |
| 12 03/28/89 | 946 | (S) READ THE FIRST TIME - REFERRAL(S) |
| 13 03/28/89 | 946 | (S) RULES |
| 14 03/29/89 | N/A | (S) RUL AT 1:15 PM BUTROVICH ROOM 205 |
| 15 03/29/89 | N/A | (S) MINUTE(RJL) |
| 16 03/30/89 | 982 | (S) RULES 30F AND CALENDAR |
| 17 03/30/89 | 982 | (S) ZERO FISCAL NOTE PUBLISHED |
| 18 03/30/89 | 985 | (S) READ THE SECOND TIME |

Selection=>
 PF1 PF2 PF3 PF4 PF5 PF6 PF7 PF8 PF9 PF10 PF11 PF12
 HELP EXIT MENU TEXT PRINT BWD FWD JRNL FIRST LAST QUIT
 4AU e-c28 LINE 22 COL 14

HCR 25 Journal & Committee Action Page 3 of 3
 Current Status: LEGIS RESOLVE 11

| Date | Page | Action |
|------------|------|---|
| 1 03/30/89 | 985 | (S) PASSED Y19 N- X1 HCR 25 AM |
| 2 03/30/89 | 986 | (S) RETURN TO (H) TRANSMIT TO GOVERNOR NEXT |
| 3 04/03/89 | 852 | (H) 4:05 PM 4/3/89 TRANSMITTED TO GOVERNOR |
| 4 04/07/89 | 926 | (H) READ BY GOVERNOR 4/5 LEGIS RESOLVE 11 |

Selection=>
 PF1 PF2 PF3 PF4 PF5 PF6 PF7 PF8 PF9 PF10 PF11 PF12
 HELP EXIT MENU TEXT PRINT BWD FWD JRNL FIRST LAST QUIT
 4AU e-c28 LINE 22 COL 14



SENATOR FRED F. ZHAROFF
ALASKA STATE LEGISLATURE

P.O. BOX 405, KODIAK, ALASKA 99616 (907) 416-6259

DURING SESSION:

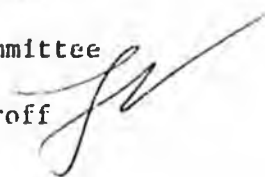
P.O. BOX V, JUNEAU, ALASKA 99811 • (907) 485-3473 • 485-3474

DISTRICT N

ALASKA PENINSULA • ALEUTIAN CHAIN • BRISTOL BAY • KODIAK ISLAND • LAKE CLARK/LAKE ILLIAMNA • PRIPILOF ISLANDS • SHUMAGIN ISLANDS

MEMORANDUM

TO: Senator Bettye Fahrenkamp
Chair
Senate Resources Committee

FROM: Senator Fred F. Zharoff 

DATE: January 12, 1989

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

I respectfully request that SB 62 be scheduled for a hearing at the Resources Committee's earliest convenience.

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 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 recently reorganized itself from the Imapik Regional Aquaculture Association, which was in a period of inactivity. The association is planning to conduct an assessment election early 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 two percent and three percent taxes are considered excessive for the association's needs at this time.

Attached, as backup, is a resolution passed by the Bristol Bay Salmon Enhancement Association.



SENATOR FRED F. ZHAROFF
ALASKA STATE LEGISLATURE

P.O. BOX 405, KODIAK, ALASKA 99816 (907) 486-6259

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 • PRIPILOF 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.



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. Delany</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.

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of 5-DAY NOTICE 1-26-89
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER FIN

**FISCAL NOTE(S) MUST BE ATTACHED
IN ACCORDANCE WITH AS 24.08.035

1/9/89

DATE TURNED INTO OFFICE _____

Mr. President:

RESOURCES

Committee considered SB 62

one percent salmon enhancement tax; efd.

and recommended:

[] replace with CS _____ [] same title
[] attached amendment(s) and [] new title

[] _____ letter of intent adopted

[] do pass

[] do not pass

[] no recommendation

[X] individual recommendations

~~no~~ further referral to Chair

FISCAL NOTE(S) attached [X] zero
[] appropriation no FN attached

[] fiscal impact

[] Gov. EN introduced w/ bill

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

William
Frank
Rick Halford
Justin Stangor

Debbie Schrenk do pass
Chairman signature and recommendation

[] Committee backup attached

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: 1/21/89

FOR FLOOR PACKET
FOR CONCURRENCE

BILL NUMBER: SB 62

SPONSOR: SEN. ZHAROFF

TITLE: AN ACT RELATING TO THE SALMON ENHANCEMENT TAX, EFD.

The House rolled the Governor's bill, SB 84, (which passed from Senate Resources on 2/27/89) into the bill. SB 84 would clarify an ambiguity created through enactment last session of AS 43.76.035. Prior to the 88 legislation enactment, both regional and nonregional private, nonprofit hatcheries were exempted from the salmon enhancement tax. SB 84 would ensure that the exemption applies to all hatcheries in the state's hatchery program.

SB 62 establishes a one percent salmon enhancement tax, in addition to the already existing tax.

Sen. Zharoff concurs with the House action.

Concur *yes*

SB 62, Relating to a one percent salmon enhancement tax

TO TESTIFY:

KARL OHLS, Staff to Senator Zharoff, Sponsor

GREG WINEGAR, Division of Investments, Department of Commerce and
Economic Development

(Available for questions) ROYCE WELLER, or STEVE KETTLE,
Department of Revenue

QUESTIONS:

how will this affect the existing tax that other associations
levy? Will they be likely to lower theirs?

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



STATE OF ALASKA
OFFICE OF THE GOVERNOR

BILL ANALYSIS

| | | | |
|--|------------------|--|--------------------|
| DEPARTMENT Fish and Game | DIVISION FRED | BILL NUMBER SB 62 | SPONSOR Ziaroff |
| 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 A. G. [Signature]</i> | DATE 1/20/89 |

SUMMARY

| | |
|---|---|
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| 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.

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.

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| 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 |

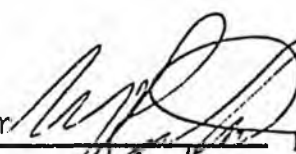
FUNDING: (Thousands of Dollars)

| | | | | | | |
|---------------|---|---|---|---|---|---|
| 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 Mercurieff, 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)

1/9/89

Mr. President:

RESOURCES Committee considered SB 84

exemptions from the salmon enhancement tax; efd

and recommended:

- replace with CS _____ same title
- attached amendment(s) and new title
- _____ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

FISCAL NOTE(S) attached zero fiscal impact
 appropriation no FN attached Gov. FN introduced w/ bill

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

Doan
McGowan
Paul R. Ziegler
Curtis Sturgis

Fabrizio *Do Pass*

Chairman signature and recommendation

Committee backup attached

1 IN THE SENATE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2

SENATE BILL NO. 84

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 exemptions from the salmon
enhancement tax; and providing for an effective
date."

7

8

9

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

10

* Section 1. AS 43.76.035 is amended to read:

11

Sec. 43.76.035. EXEMPTION. This chapter does not apply to

12

salmon harvested under a special harvest area entry permit issued

13

under AS 16.43.400 [TO A REGIONAL ASSOCIATION ESTABLISHED UNDER

14

AS 16.10.380].

15

* Sec. 2. This Act takes effect immediately under AS 01.10.070(c).

1 IN THE SENATE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2

SENATE BILL NO. 84

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 exemptions from the salmon

7

enhancement tax; and providing for an effective

8

date."

9

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

10

* Section 1. AS 43.76.035 is amended to read:

11

Sec. 43.76.035. EXEMPTION. This chapter does not apply to

12

salmon harvested under a special harvest area entry permit issued

13

under AS 16.43.400 [TO A REGIONAL ASSOCIATION ESTABLISHED UNDER

14

AS 16.10.380].

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SB 84 "An Act relating to the exemptions from the salmon enhancement tax; and providing for an effective date."

This legislation will clarify language which was added last session with the passage of CSSB 494 (Fin). The intent of that legislation was to codify the interpretation by the Department of Revenue that the salmon enhancement tax did not apply to salmon harvested by nonprofit aquaculture associations within their special harvest areas. The language, however, only referred to regional associations which could be interpreted to exclude nonregional associations. Research indicates that this was done inadvertently and, prior to this time, no enhancement taxes have been charged to either regional or nonregional associations. Requiring nonregional associations to pay this tax could adversely affect these organizations' ability to repay state fisheries enhancement loans.

The Department of Commerce and Economic Development supports this bill because it will clarify that nonregional aquaculture associations as well as regional associations are exempt from the salmon enhancement tax on salmon harvested within their special harvest areas. This will allow the program to continue as it has in the past and prevent the possibility of inequities between regional and nonregional aquaculture associations.

[Signature]
Larry Merculiéff, Commissioner
Department of Commerce and
Economic Development

Date: *4/27/89*

1 IN THE SENATE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2

SENATE BILL NO. 84

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 exemptions from the salmon
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12 salmon harvested under a special harvest area entry permit issued
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14 AS 16.10.380].

15 * Sec. 2. This Act takes effect immediately under AS 01.10.070(c).

STEVE COWPER
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 9, 1989

The Honorable Tim Kelly
President of the Senate
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Senator Kelly:

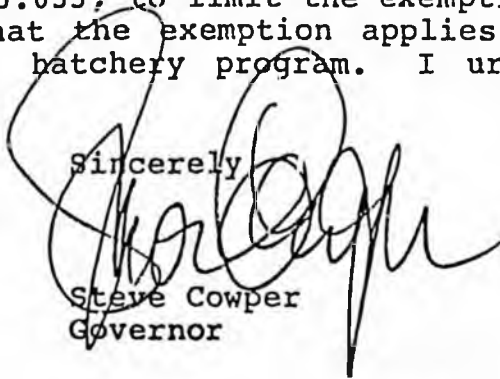
Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to the exemptions from the salmon enhancement tax imposed by AS 43.76. This bill is designed to clarify an ambiguity created through the enactment last session of AS 43.76.035.

Before the 1988 legislation was enacted, the practice of the Department of Revenue, in interpreting AS 43.76, was to exempt from the salmon enhancement tax salmon harvested under all special harvest area permits issued to hatcheries under AS 16.43.400. This practice exempted both regional and nonregional private, nonprofit hatcheries, on the basis that the tax is intended, for the most part, to benefit the state's hatchery program.

Last year's AS 43.76.035, however, codified the exemption only for regional aquaculture associations. Thus, by implication, that statute could be interpreted to repeal the exemption for those private, nonprofit hatcheries that are not run by regional aquaculture associations, thereby imposing a new tax burden of two or three percent on those hatcheries. The Department of Commerce and Economic Development has indicated that this added tax burden, if imposed, might affect the ability of these hatcheries to meet future loan payments.

We firmly believe that it was not the intent of the legislature, in passing AS 43.76.035, to limit the exemption, and this bill will clarify that the exemption applies to all hatcheries in the state's hatchery program. I urge your support of this measure.

Sincerely,


Steve Cowper
Governor

FISCAL NOTE

REQUEST:

Revision Date: October 25, 1988
Title: Salmon Enhancement Tax: Hatchery Exemption.
Sponsor: Rules Committee
Requestor: Governor

Agency Affected: Revenue
BRU: Income and Excise Audit
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

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

FUNDING: (Thousands of Dollars)

| | | | | | |
|---------------|-----|-----|-----|-----|-----|
| GENERAL FUND | -0- | -0- | -0- | -0- | -0- |
| FEDERAL FUNDS | -0- | -0- | -0- | -0- | -0- |
| OTHER | -0- | -0- | -0- | -0- | -0- |
| TOTAL | -0- | -0- | -0- | -0- | -0- |

POSITIONS:

| | | | | | |
|-----------|-----|-----|-----|-----|-----|
| FULL-TIME | -0- | -0- | -0- | -0- | -0- |
| PART-TIME | -0- | -0- | -0- | -0- | -0- |
| TEMPORARY | -0- | -0- | -0- | -0- | -0- |

ANALYSIS: See attached analysis.

Prepared By: Steven E. Kettel
Division: Income and Excise Audit

Phone: (907) 465-2320
Date: October 25, 1988

Approved by Commissioner: Hugh Malone
Agency: Department of Revenue

Date: October 25, 1988

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

Prepared by: Steven E. Kettel
Director, Income & Excise Audit
October 25, 1988

Analysis:

The proposed legislation exempts all private nonprofit hatcheries from salmon enhancement tax liability. The bill is necessary to correct an ambiguity that was created through the enactment last year of AS 43.76.035. Prior to enactment of Section 035, the Department practice was to exempt all salmon harvested under all special harvest permits issued under AS 16.43.400. This exempted both regional and nonregional private, nonprofit hatcheries. Section .035 however, codified the exemption only for regional aquaculture associations, and could be construed to repeal the exemption for private nonprofit hatcheries. This legislation expands the exemption to cover private nonprofit hatcheries.

FISCAL NOTE

REQUEST:

Revision Date: _____
 Title: Exemption of hatcheries
from salmon enhancement tax
 Sponsor: Rules Committee
 Requestor: Governor

Agency Affected: Dept. Fish and Game
 BRU: FRED
 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 | | | | | | |
|---------|--|--|--|--|--|--|

| | | | | | | |
|---------|--|--|--|--|--|--|
| REVENUE | | | | | | |
|---------|--|--|--|--|--|--|

FUNDING: (Thousands of Dollars)

| | | | | | | |
|---------------|--|--|--|--|--|--|
| GENERAL FUND | | | | | | |
| FEDERAL FUNDS | | | | | | |
| OTHER | | | | | | |
| TOTAL | | | | | | |

POSITIONS:

| | | | | | | |
|-----------|--|--|--|--|--|--|
| FULL-TIME | | | | | | |
| PART-TIME | | | | | | |
| TEMPORARY | | | | | | |

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Dr. Brian Allee, Director
 Division: FRED

Phone: 465-4160
 Date: 10/19/88

Approved by Commissioner: *Orin Galloway*
 Agency: Department of Fish and Game

Date: 10/19/88

Distribution (by preparer): *BA* 10/19/88
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

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 |
|---------|---|---|---|---|---|---|

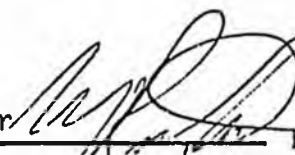
FUNDING: (Thousands of Dollars)

| | | | | | | |
|---------------|---|---|---|---|---|---|
| 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 Mercurieff, 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)

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