

SB 240

RES waived 5/20/91

FINANCE COMMITTEE REPORT

(11)

Date Referred: May 20, 1991

FURTHER REFERRALS:

Date of Committee Action: 5/7/92

The FINANCE Committee considered:

CSSB 240(CRA)

CS FOR SENATE BILL NO. 240 (CRA)

APPROP: FISHERIES TAX REFUND PROGRAM

"An Act making an appropriation to the Department of Revenue for the fisheries tax refund program for payments based on the harvest of fish; and providing for an effective date."

RECOMMENDATIONS:

be replaced with HCSSB 240 Fin

[] the same title

[] a new title

[] have attached amendments(s)

[x] do pass

[] do not pass

[] no recommendations

[] individual recommendations

[] additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(s): (Dept)

APPROVES PREVIOUS: (Dept/Date)

[x] fiscal impact DOR 5-7-92

[] fiscal note(s) _____

[] zero fiscal note _____

[] zero fiscal note(s) _____

SIGNING <u>DO</u> PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
Mike Navarre	X	Barnes		X	
Marion Boyer	X	Sharrs		X	
Tan Brown	X	Phillip		X	
Koponen	X				
Kausen	X				
Ulmer	X				

Mike Navarre
CHAIRMAN'S SIGNATURE

FISCAL NOTE

STATE OF ALASKA
1992 LEGISLATIVE SESSION

BILL NO. SB 240

Revision Date: May 7, 1992
Title: Appropriation for fisheries tax refund program
Sponsor: Zharoff
Requestor: _____

Department Affected: Department of Revenue
BRU: Revenue Operations
Component: Income and Excise Audit
COMPONENT SERIAL NO. | 1 | 1 | 3 |

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LANDS & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL						
REVENUE FUND SOURCE	(3,500.0)	0.0	0.0	0.0	0.0	0.0

FUNDING: (Thousands of Dollars)

GENERAL FUND	0.0	0.0	0.0	0.0	0.0	0.0
FEDERAL FUNDS						
OTHER FUND SOURCE						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

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

Estimate of current year impact: 0.0

ANALYSIS: This bill appropriates funds from the general fund to the Department of Revenue to be allocated and paid to municipalities that suffered the loss of fish tax revenue because of the Exxon oil spill.

Prepared By: Paul Dick Phone: (907) 465-2320
Division: Income and Excise Audit Date: May 7, 1992

Approved by Commissioner: Darrel J. Rexwinkel Date: 5/7/92
Agency: Department of Revenue

Distribution (by preparer): Leg. Fin., Legislative Sponsor, Requestor, OMB/DBR, Gov. Legis. Ofc., & Impacted Agency(ies).

HOUSE CS FOR CS FOR SENATE BILL NO. 240 ()
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - SECOND SESSION

BY

Offered
Referred:

Sponsor(s): SENATOR ZHAROFF

A BILL

FOR AN ACT ENTITLED

1 "An Act making appropriations to the Department of Law for payment to municipalities
2 for losses of fisheries tax revenue suffered as a result of the Exxon Valdez oil spill; and
3 providing for an effective date."

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

5 * Section 1. PURPOSE. To hold harmless municipalities whose tax receipts were affected by
6 reduction of payments of the fisheries business tax, it is the purpose of this Act to provide additional
7 refunds payable to municipalities so that the municipalities are compensated for the decrease in the
8 proceeds of the fisheries business tax during fiscal year 1990 caused by the Exxon Valdez oil discharge
9 disaster.

10 * Sec. 2. The amounts received by the state for municipal raw fish tax revenue (AS 43.75.130) lost
11 because of the Exxon Valdez oil spill and received as a result of litigation the state has initiated against
12 Exxon or Alyeska or their respective related companies are appropriated from the general fund to the
13 Department of Law for allocation to the municipalities that suffered the loss of municipal raw fish tax
14 revenue under an agreement entered into between all of the municipalities and the Department of Law.

1 * Sec. 3. The amounts received by the state for municipal raw fish tax revenue (AS 43.75.130) lost
2 because of the Exxon Valdez oil spill and received as a result of claims filed before the Trans Alaska
3 Pipeline liability fund are appropriated from the general fund to the Department of Law for allocation
4 to the municipalities that suffered the loss of municipal raw fish tax revenue under an agreement entered
5 into between all of the municipalities and the Department of Law.

6 * Sec. 4. The unexpended and unobligated balance of the appropriations made by this Act lapses into
7 the general fund June 30, 1993.

8 * Sec. 5. This Act takes effect immediately under AS 01.10.070(c).

HOUSE CONCURRENT RESOLUTION NO. 57

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE RESOURCES COMMITTEE

Introduced:
Referred:

A RESOLUTION

1 Suspending Uniform Rules 24(c), 35, 41(b), and 42(e) of the Alaska State Legislature
2 concerning Senate Bill No. 240, making an appropriation to be allocated to municipalities
3 to compensate for the loss of fish tax revenue because of the Exxon Valdez oil spill.

4 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

5 That under Rule 54 of the Uniform Rules of the Alaska State Legislature, the provisions of
6 Rules 24(c), 35, 41(b), and 42(e) of the Uniform Rules, regarding changes to the title of a bill, are
7 suspended in consideration of Senate Bill No. 240, making an appropriation to be allocated to
8 municipalities to compensate for the loss of fish tax revenue because of the Exxon Valdez oil spill.

STATE OF ALASKA
House of Representatives
District 27

Representative Cliff Davidson
Chairman
House Resources Committee



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(907) 486-8250

TO: Representative Mike Navarre, Co-chair
Representative Eileen MacLean, Co-chair

FROM: Representative Cliff Davidson

DATE: 7 May 1992

SUBJECT: Senate Bill 240

The Exxon Valdez oil spill substantially reduced the 1989 commercial fishing effort throughout the spill area as the State of Alaska adopted a "zero tolerance" approach to oil tainted fish. This policy resulted in numerous fishing closures and a significant loss of raw fish tax revenue to both the state and the municipalities.

In October of 1991, the State of Alaska settled its oil spill claims with Exxon including claims for lost raw fish tax. However, that settlement specifically allowed the State to continue to press claims for municipal raw fish tax revenue lost as a result of the oil spill.

House Bill 276 and its companion bill Senate Bill 240 originally appropriated monies from the general fund to the municipalities for raw fish tax revenue estimated lost as a result of the oil spill. I have proposed a committee substitute that appropriates these revenues to the municipalities only after these monies are secured from the defendants (Exxon, Alyeska and the Taps Liability Fund) through negotiation or legal action. Furthermore, the proposed Committee Substitute would only provide reimbursement to the municipalities pending agreement between the municipalities and the Department of Law.

Passage of this proposed CS for SB 240 will necessitate a title change. Today, House Concurrent Resolution 57, providing for that title change, will be introduced on the House floor. Should the House Finance Committee pass SB 240 from committee, the title change resolution will be available to accompany this legislation to the floor. I urge your favorable consideration.

MEMORANDUM

TO: Representative Cliff Davidson

FROM: Matthew D. Jamin, attorney for and on behalf of the communities of Cordova, Seldovia, Seward, Homer, Kenai, Kenai Peninsula Borough, Whittier, Kodiak, Larsen Bay, Port Lions, Chignik, Lake and Peninsula Borough and Kodiak Island Borough

RE: CSHB 276

DATE: 5/6/92

In the geographic area affected by the Exxon Valdez Oil Spill, because of closures to fisheries in 1989, most municipalities received substantially less municipal fish tax than they would have but for the spill. The tax is normally collected by the State from fish processors at rates of up to 5% of the value of the price paid to fishermen. Normally, about one half that amount is passed through to municipalities under the statutes as their share.

When the State settled its claims against Exxon, it specifically reserved the right to pursue Exxon on behalf of the municipalities for their share of lost fish tax. This was done at the request of the municipalities to protect any argument that the oil companies might have made that they had no obligation to pay the municipalities since they lacked "standing" to make such a claim.

The State hopes soon to settle its claims for lost fish tax owed to municipalities not only from Exxon, but also from the other defendants in the litigation (primarily Alyeska and its parents) and from the Trans-Alaska Pipeline Liability Fund. When and if the State settles any such claims, HB 276 would specifically permit the Department of Law to enter into a sharing agreement with all the affected municipalities for distribution of any settlement proceeds. If such a settlement occurs when the legislature is not in session, it will not be necessary to wait before distribution of these badly needed funds can be made.

\hb276