

HJR

14

ALASKA STATE LEGISLATURE  
House Resources Committee

**Carl Gatto, Co-Chair**

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**MEMORANDUM**

**TO:** Representative John Harris, Speaker  
Alaska State House


**FROM:** Rep. Carl Gatto and Rep. Craig Johnson  
Co-Chairs, House Resources Committee

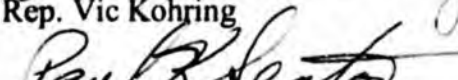
**DATE:** April 2, 2007

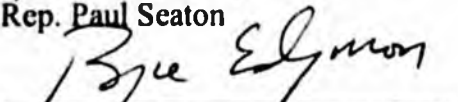
**SUBJECT:** Waiver of CS for HJR 14(FSH) From Committee


The undersigned members of the House Resources Committee request CSHJR 14(FSH), SUPPORT FOR FED SB 552; EXXON PLAINTIFFS, be waived from committee. The bill was thoroughly heard and amended in Fisheries committee action on March 19<sup>th</sup> and passed out without objection.

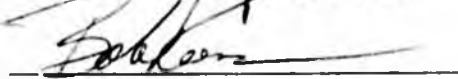
  
Rep. Carl Gatto, Co-Chair

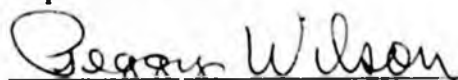
  
Rep. Vic Kohring

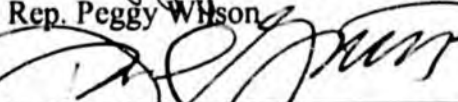
  
Rep. Paul Seaton

  
Rep. Bryce Edgmon

  
Rep. Craig Johnson, Co-Chair

  
Rep. Bob Roses

  
Rep. Peggy Wilson

  
Rep. David Guttenberg

  
Rep. Scott Kawasaki

# FISCAL NOTE

**STATE OF ALASKA**  
**2007 LEGISLATIVE SESSION**

Fiscal Note Number: 1  
 Bill Version: CSHJR 14(FSH)  
 (H) Publish Date: 3/19/2007

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: \_\_\_\_\_  
 Title FED S 552/HR 1334; EXXON PLAINTIFFS RDU \_\_\_\_\_  
 Sponsor House Fisheries Component \_\_\_\_\_  
 Requester \_\_\_\_\_ Component No. \_\_\_\_\_

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2007) cost: 0.0  
 Mark this box (X) if funding for this bill is included in the Governor's FY 2008 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

Prepared by: House Fisheries Committee Staff Phone 465-3923  
 Division \_\_\_\_\_ Date/Time \_\_\_\_\_  
 Approved by: Rep. Seaton, Chairman Date 3/19/2007  
 Agency Legislature

25-LS0639K  
Bullock  
3/15/07

**CS FOR HOUSE JOINT RESOLUTION NO. 14(FSH)  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWENTY-FIFTH LEGISLATURE - FIRST SESSION**

**BY THE HOUSE SPECIAL COMMITTEE ON FISHERIES**

**Offered:  
Referred:**

**Sponsor(s): HOUSE SPECIAL COMMITTEE ON FISHERIES**

**A RESOLUTION**

1 **Urging the United States Congress to enact S. 552 and H.R. 1334 so that individuals**  
2 **receiving a damage award from the Exxon Valdez oil spill can benefit from the income**  
3 **averaging and retirement contribution provisions of the bill.**

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

5 **WHEREAS** it is well documented that the Exxon Valdez oil spill has adversely  
6 affected the coastal region of the state and affected the economic status of communities in this  
7 region for many years; and

8 **WHEREAS** the state's commercial fishermen, who make up 80 percent of the  
9 plaintiffs seeking to recover damages from the Exxon Valdez oil spill, suffered economically  
10 as a result of the oil spill, and as a result lost the opportunity to establish retirement plans or  
11 were limited in their ability to save for retirement; and

12 **WHEREAS** these Alaskans would benefit from the contributions to retirement  
13 accounts they could make by using money received from the award of damages; and

14 **WHEREAS** S. 552 and H.R. 1334 would benefit these commercial fishermen by  
15 authorizing increases in the deductions and income caps applicable to traditional individual

1 retirement accounts, Roth IRAs, and other qualified retirement plans to the extent of the  
2 amount of the damage award; and

3 **WHEREAS** the bill would authorize individual plaintiffs to average income from the  
4 award for tax purposes over the period January 1, 1994, through the end of the year in which  
5 the award is made;

6 **BE IT RESOLVED** that the Alaska State Legislature urges the United States  
7 Congress to enact S. 552 as introduced by Senator Murkowski and Senator Stevens and H.R.  
8 1334 as introduced by Representative Young and Representative Reichert to provide relief to  
9 those individuals who suffered economic damages as a result of the Exxon Valdez oil spill.

10 **COPIES** of this resolution shall be sent by electronic transmission and by mail to the  
11 Honorable Ted Stevens and the Honorable Lisa Murkowski, U.S. Senators, and the Honorable  
12 Don Young, U.S. Representative, members of the Alaska delegation in Congress; the  
13 Honorable Dave Reichert, U.S. Representative for the 8th District of Washington; and to all  
14 members of the 110th United States Congress by electronic transmission.

## Alaska State Legislature

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Fax: 235-4008

### **REPRESENTATIVE Paul Seaton**

District 35

#### **Sponsor Statement: HJR 14**

**“A resolution urging the United States Congress to enact Senate bill 552 and House bill 1334 so that individuals receiving a damage award from the Exxon Valdez oil spill can benefit from the income averaging and retirement contribution provision of the bill.”**

HJR 14 supports S552, sponsored by Senators Murkowski and Stevens and its companion bill HR 1334 sponsored by Representatives Don Young and Dave Reichert. This federal legislation would allow taxpayers who are plaintiffs in the civil action in the Exxon Valdez Oil spill, or their heirs or dependents to:

1. Average the income received in settlement of the civil action for the period beginning on January 1, 1994, and the ending date of December 31<sup>st</sup> of the year in which the settlement income is received and/or
2. Make contributions of any amount of such settlement income to certain tax-exempt retirement plans in the year the income is received.

The Exxon Valdez Oil spill has adversely impacted the coastal regions of Alaska and affected the economic status of these communities for many years. Many commercial fishermen in Alaska, who comprise 80 percent of the plaintiffs, have suffered a loss of opportunity to establish retirement plans due to diminished fish catches or decreased prices resulting from the Exxon Valdez oil spill. Senators Murkowski's, Stevens' and Representatives Young's and Reichert's bills would provide relief to those affected once the settlement is awarded.

S552 and HR1334 would increase the cap on deductions and income for traditional IRAs, Roth IRAs or any qualified retirement plan to the extent of the income the individual receives from the settlement or judgment. The recipient of this settlement may choose to place the money into one of these retirement funds and/or choose to income average to better reflect how income would have been earned if the Exxon Valdez oil spill had not occurred.

**United Southeast Alaska Gillnetters**

P.O. Box 23378, Ketchikan, AK 99901 Phone & Fax (907) 247-2471 Email: usag@kpnet.net

March 16, 2007

Representative Paul Seaton, Chair  
House Special Committee on Fisheries  
Alaska State Legislature  
Juneau, AK 99801

Send Via Fax to: 907-465-3472

Dear Chairman Seaton:

The United Southeast Alaska Gillnetters (USAG) supports HJR 14 which calls for the passage of federal legislation to provide income averaging and increased limits on deposits to IRA's for fishermen receiving compensation for the Exxon Valdez oil spill. This is not some special break for fishermen but a long overdue adjustment that would help impacted fishermen to better deal with the economic situation that is not of their making. In our view the delay in compensating the fishermen of Prince William Sound who were the most severely impacted and others in Alaska who suffered reduced markets is close to criminal. The small measures that are supported by this Resolution will assist these fishermen by reducing the impact of taxes on this oil spill compensation, if Exxon ever exhausts its legal gyrations and lives up to its moral obligations. Many fishing businesses have been ruined by the action of Exxon in this situation and any compensation that fishermen receive will represent a special situation that our regular tax code did not envision when it was legislated. We hope the House Fisheries Committee will forward this resolution and that it will pass the Legislature. Thank you for considering our position on HJR 14.

Yours Truly,

Kenneth Duckett  
Executive Director



Since 1935

**Cordova District Fishermen United**

P.O. Box 939 | Cordova AK 99574

Ph: (907) 424 3447 Fax: (907) 424 3430

Email: [cdfu@ak.net](mailto:cdfu@ak.net)

March 16, 2007

Representative Paul Seaton  
Chairman House Special Committee on Fisheries  
Alaska State Legislature  
State Capitol (Mail stop 3100)  
Juneau AK 99801

**RE: HJR 14 A Resolution urging the United States Congress to enact Senate Bill 552.**

Dear Representative Seaton, and Members of the House Special Committee on Fisheries:

The Cordova District Fishermen United (CDFU) have represented the interests of Copper River / Prince William Sound commercial fishermen and their families for the past seventy-two years. CDFU supports HJR 14.

The Exxon Valdez oil spill in Prince William Sound 18 years ago, devastated the livelihoods of tens of thousands of men and women associated with both commercial and subsistence fisheries, and damaged coastal community economies around the Sound. Eighteen years later Alaskans are still dealing with those losses.

Eighty percent of the plaintiffs who would benefit from The Exxon Valdez Oil Spill Tax Treatment Act (S 552) introduced by Senators Murkowski and Stevens, are fishermen.

In Cordova, we lost the herring fishery because of the spill. Families sustained losses they could not recover from. Permits and equipment became worthless. Boats and business debts had to be paid, but the resources to do so had been

destroyed due to the spill. Some families faced bankruptcy; all lost their investment in the future.

The Alaska Legislature must support Senate bill 552, which provides some tax relief for the injured fishermen to ease their retirement.

The damages settlement will give those fisherman a one time opportunity to make retirement account payments, and averaging income will go a long way in assuring that herring fishermen and others, damaged from lingering impacts from the spill, are not injured further with an unjust tax burden.

Thank you for your consideration,

A handwritten signature in cursive script that reads "Catherine Crawford".

Catherine Crawford  
Executive Director

Cc. Senator Albert Kookesh  
Representative Bill Thomas



# UNITED FISHERMEN OF ALASKA

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(907) 586-2820  
(907) 463-2545 Fax  
E-Mail: [ufa@ufa-fish.org](mailto:ufa@ufa-fish.org)  
[www.ufa-fish.org](http://www.ufa-fish.org)

March 21, 2007

Representative Craig Johnson, Co-Chair  
Representative Carl Gatto, Co-Chair  
House Resources Committee  
State Capitol, Room 102  
Juneau, AK 99801

RE: Support for CS HJR 14 (Fisheries).

Dear Representatives Johnson and Gatto, and Committee members,

United Fishermen of Alaska (UFA) supports CS HJR 14 as amended by the House Fisheries Committee, urging the U.S. Congress to enact Senate Bill 552 and House Resolution 1334, so that individuals receiving a damage award from the Exxon Valdez oil spill can benefit from income averaging and retirement contribution provisions of the bill.

It is reprehensible that Alaska fishermen and others affected by the spill have not received damages established by the original Jury in 1994. Affected fishermen have faced many challenges since this time that have interfered with their ability to make a living at all, much less provide adequately for retirement. Passage of these measures in congress will allow claimants to receive more of their award, rather than provide a unique tax windfall to the federal government.

We appreciate any support from the Alaska legislature to help our efforts in Washington DC to gain this fair treatment, and hope that you will pass this supportive resolution.

Sincerely,

Mark Vinsel  
Executive Director

#### MEMBER ORGANIZATIONS

Alaska Crab Coalition • Alaska Driggers Association • Alaska Independent Tendermen's Association • Alaska Longline Fishermen's Association  
Alaska Shellfish Association • Alaska Trollers Association • Armstrong Keta • At-sea Processors Association • Bristol Bay Reserve  
Concerned Area "M" Fishermen • Cook Inlet Aquaculture Association • Cordova District Fishermen United • Crab Group of Independent Harvesters  
Douglas Island Pink and Chum • Fishing Vessel Owners Association • Groundfish Forum • Kenai Peninsula Fishermen's Association  
Kodiak Regional Aquaculture Association • North Pacific Fisheries Association • Northern Southeast Regional Aquaculture Association  
Old Harbor Fishermen's Association • Petersburg Vessel Owners Association • Prince William Sound Aquaculture Corporation  
Purse Seine Vessel Owner Association • Seafood Producers Cooperative • Sitka Herring Association • Southeast Alaska Fisherman's Alliance  
Southeast Alaska Regional Dive Fisheries Association • Southeast Alaska Seiners Association • Southern Southeast Regional Aquaculture Association  
United Catcher Boats • United Cook Inlet Drift Association • United Salmon Association • United Southeast Alaska Gillnetters  
Valdez Fisheries Development Association • Western Gulf of Alaska Fishermen

# REPRESENTATIVE PAUL SEATON

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## ALASKA STATE LEGISLATURE

House District 35

### Memorandum

Date: March 28, 2007  
To: House Resources Co-Chair Craig Johnson  
From: Representative Paul Seaton  
Re: HJR 14 hearing request

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I respectfully request a hearing for HJR 14 at your earliest possible convenience. HJR 14 supports federal legislation sponsored by Senators Murkowski and Stevens and Representative Young to allow plaintiffs in the Exxon Valdez Oil Spill litigation to income average or put money into an IRA or an equivalent retirement plan should an award in the case be granted.