

HB

184

<TARGET><BILL>HB 184</BILL><SUBJECT>HB
184</SUBJECT><COMM>HCRA27</COMM></TARGET>

ALASKA STATE LEGISLATURE

Interim.
P.O. Box 109
Wrangell, AK 99929
Phone: (907) 874-3088
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Session:
State Capitol, Room 406
Juneau, AK 99801-1182
Phone: (907) 465-3824
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REPRESENTATIVE PEGGY WILSON HOUSE DISTRICT 2

SPONSOR STATEMENT House Bill 184

"An Act relating to the sharing of tax revenue from the fisheries business tax and fishery resource landing tax with municipalities; and providing for an effective date."

HB 184 deals with two different fisheries taxes paid by either buyers or processors. The first is the Fisheries Business Tax and the second is the Fisheries Resource Landing Tax. This bill will not change the taxes levied. This bill deals with the distribution of the tax revenue once it is collected.

The Fisheries Business Tax is a tax on fish processed in Alaska and the Fisheries Resource Landing Tax is a tax on fish processed at sea beyond state waters and first landed in Alaska.

Under the current system funds generated by the Fisheries Business Tax and the Resource Landing Tax on fish processed/landed inside a municipality are divided equally between the state and the municipality. If the processing/landing occurred within an incorporated city inside a borough, the 50% is divided between the two entities. If the processing occurred outside of an incorporated city the 50% goes entirely to the borough.

On fish that are processed or landed outside of any municipal or borough boundaries half of the tax revenue goes to the general fund (state) and the other half goes to the Department of Commerce, Community and Economic Development (DCCED). The department distributes its share among fishing communities in Alaska according to a formula that proportionally allocates the tax based on the pounds of fish processed in 14 different Fisheries management Areas. The percent that goes to each fisheries management Area is then split between the communities by a locally determined formula apportioning equal community shares and per capita shares. This formula will not change with HB 184.

HB 184 will change the percentages. Currently the funds generated by the taxes are split evenly between the state and the places it was processed or landed. With this bill if the processing/landing occurred within an incorporated city 75% goes to the city and 25% goes to the state. If the processing/landing occurred inside a city inside a borough, the 75% is divided between the two entities. If the processing occurred outside of an incorporated city the 75% goes entirely to the borough.

Over the past 20 years the State has been divesting itself of expensive port and harbor infrastructure. This real estate has transferred to municipalities and boroughs. The state attempted to make sure that the transferred ports and harbors were in good shape when they transferred. In many cases the transfer took much more time than expected so the money allocated for deferred maintenance was not enough to cover the required repairs. Many ports and harbors which are the support infrastructure for our commercial fisheries are rundown and in need of major maintenance if not complete rebuilds. The additional share of the fisheries taxes will not solve this problem but will help maintain and improve the infrastructure used not only by our commercial fishermen but also by our sports and leisure residents.

HB 184 also deals with the revenue from another area of the Fisheries Business Tax revenue from fish that are landed in a municipality but sent out of state "unprocessed". Currently, these funds are treated the same as for fish processed outside of a municipality: 50% to the general fund (state) and 50% to DCCED

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to be distributed across all Fisheries Management Areas. With HB 184 the split will be 25% (state)/75% (municipalities).

The Department of Revenue's definition of processing in 15 AAC 75.300 does not include "decapitating shrimp and gutting, gilling, sliming, or icing a fisheries resource." The Fisheries Business Tax paid on a growing amount of fisheries resources is not returning to the municipalities where the resource was landed and handled. This includes troll-dressed salmon rushed to fresh markets in the Lower 48, halibut sent out by truck to be processed elsewhere, and other live or whole seafood exported directly to customers outside of the state. This is clearly a case where the market is functionally growing away from the tax system.

Another problem with the distribution system for taxes paid on exported live and unprocessed fish is because the fish are not technically "processed" in the community. The ports where the product is landed do not even qualify to receive a portion of the redistribution under the DCCED formula, which is allocated based on processed poundage. In effect, a community, that produces high value fresh and live fish, is unable to collect even a fraction of the tax, and cannot qualify in the future unless they elect to produce a lower value product.

HB 184 would, in addition to changing the split between the state and the municipalities, direct the Fisheries Business Tax revenue on these "unprocessed" fisheries resources back to the incorporated port of landing and or the borough where they were landed. This will help more accurately and fairly cover the cost of building and maintaining the infrastructure utilized in generating the tax.

The state has been encouraging the export of high-value fresh and live fish, yet our current tax structure denies a municipality that engages in this high-value marketing its direct tax share. By tying Fisheries Business Tax revenue return directly to the municipality where the landing occurred, HB 184 ensures that ports are compensated fairly for their efforts and the revenues they generate.

27-LS0576\E
Bullard/Bullock
9/30/11

CS FOR HOUSE BILL NO. 184()
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-SEVENTH LEGISLATURE - SECOND SESSION

BY

Offered:
Referred:

Sponsor(s): REPRESENTATIVES PEGGY WILSON, Thompson

A BILL
FOR AN ACT ENTITLED

1 **"An Act relating to the sharing of tax revenue from the fisheries business tax and**
2 **fishery resource landing tax with municipalities and to municipal reports relating to the**
3 **shared tax revenue; and providing for an effective date."**

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

5 * **Section 1.** The uncodified law of the State of Alaska is amended by adding a new section
6 to read:

7 LEGISLATIVE INTENT. It is the intent of the legislature that municipalities use the
8 additional revenue distributed under this Act to maintain and improve their harbor facilities.

9 * **Sec. 2.** AS 43.75.130(a) is amended to read:

10 (a) **Subject to appropriation by the legislature and to** [EXCEPT AS
11 PROVIDED IN] (d) of this section, the commissioner shall pay

12 (1) to each unified municipality and to each city located in the
13 unorganized borough, 75 [50] percent of the amount of tax revenue collected in the
14 municipality from taxes levied under this chapter;

1 (2) to each city located within a borough, 37.5 [25] percent of the
2 amount of tax revenue collected in the city from taxes levied under this chapter; and

3 (3) to each borough

4 (A) 75 [50] percent of the amount of tax revenue collected in
5 the area of the borough outside cities from taxes levied under this chapter; and

6 (B) 37.5 [25] percent of the amount of tax revenue collected in
7 cities located within the borough from taxes levied under this chapter.

8 * **Sec. 3.** AS 43.75.130(g) is amended to read:

9 (g) In this section, "tax revenue collected" **means the revenue collected by**
10 **the department from taxes levied under this chapter on the value of fishery**
11 **resources that are either (1) processed in a municipality; or (2) first landed in a**
12 **municipality and exported from the state without being processed in the state;**
13 **"tax revenue collected"** includes the amount credited against taxes under
14 AS 43.75.018.

15 * **Sec. 4.** AS 43.75.137 is amended to read:

16 **Sec. 43.75.137. Additional refund. Subject to appropriation by the**
17 **legislature** [TO THE EXTENT THAT APPROPRIATIONS ARE AVAILABLE FOR
18 THE PURPOSE, AND NOTWITHSTANDING THE REQUIREMENT OF
19 AS 37.07.080(e) THAT APPROVAL OF THE OFFICE OF MANAGEMENT AND
20 BUDGET IS REQUIRED], an amount equal to 75 [50] percent of the tax revenue that
21 is collected under this chapter from fisheries businesses and **that** is not subject to
22 division with a municipality under AS 43.75.130 shall be **paid by** [TRANSMITTED
23 EACH FISCAL YEAR, WITHOUT THE APPROVAL OF THE OFFICE OF
24 MANAGEMENT AND BUDGET, BY THE DEPARTMENT TO] the Department of
25 Commerce, Community, and Economic Development [FOR DISBURSAL] to eligible
26 municipalities under AS 29.60.450.

27 * **Sec. 5.** AS 43.75 is amended by adding a new section to article 3 to read:

28 **Sec. 43.75.150. Municipal reports to the legislature.** (a) Not more than 10
29 days after the convening of each regular legislative session, a municipality that
30 receives tax revenue under AS 43.75.130 - 43.75.137 shall prepare and submit to the
31 legislature a report that describes

1 (1) how those funds were used by the municipality in the previous
2 fiscal year; and

3 (2) any harbor maintenance or improvement projects that were funded
4 in whole or in part by the tax revenue collected under AS 43.75.130 - 43.75.137.

5 (b) The report required under (a) of this section may be made jointly with the
6 report required under AS 43.77.060(f).

7 * **Sec. 6.** AS 43.77.060(a) is amended to read:

8 (a) Subject to appropriation by the legislature and except as provided in (b) of
9 this section, the commissioner shall pay to each

10 (1) unified municipality and to each city located in the unorganized
11 borough, 75 [50] percent of the amount of tax revenue collected from taxes levied
12 under this chapter on the fishery resource landed in the municipality and accounted for
13 under AS 43.77.050(b);

14 (2) city located within a borough, 37.5 [25] percent of the amount of
15 the tax revenue collected from taxes levied under this chapter on fishery resources
16 landed in the city and accounted for under AS 43.77.050(b); and

17 (3) borough

18 (A) 75 [50] percent of the amount of the tax revenue collected
19 from taxes levied under this chapter on fishery resources landed in the area of
20 the borough outside cities and accounted for under AS 43.77.050(b); and

21 (B) 37.5 [25] percent of the amount of the tax revenue collected
22 from taxes levied under this chapter on fishery resources landed in cities
23 located within the borough and accounted for under AS 43.77.050(b).

24 * **Sec. 7.** AS 43.77.060(d) is amended to read:

25 (d) Subject to appropriation by the legislature [TO THE EXTENT THAT
26 APPROPRIATIONS ARE AVAILABLE FOR THE PURPOSE, AND
27 NOTWITHSTANDING THE REQUIREMENT OF AS 37.07.080(e) THAT
28 APPROVAL OF THE OFFICE OF MANAGEMENT AND BUDGET IS
29 REQUIRED], an amount equal to 75 [50] percent of the tax revenue that is collected
30 under this chapter and that is not subject to division with a municipality under (a) - (c)
31 of this section shall be paid by [TRANSMITTED EACH FISCAL YEAR,

1 WITHOUT THE APPROVAL OF THE OFFICE OF MANAGEMENT AND
2 BUDGET, BY THE DEPARTMENT TO] the Department of Commerce, Community,
3 and Economic Development [FOR DISBURSAL] to eligible municipalities under
4 AS 29.60.450.

5 * **Sec. 8.** AS 43.77.060 is amended by adding a new subsection to read:

6 (f) Not more than 10 days after the convening of each regular legislative
7 session, a municipality that receives tax revenue under this section shall prepare and
8 submit to the legislature a report that describes how those funds were used by the
9 municipality in the previous fiscal year and that details any harbor maintenance or
10 improvement projects that were funded in whole or in part by that tax revenue. The
11 report may be made jointly with the report required under AS 43.75.150.

12 * **Sec. 9.** The uncodified law of the State of Alaska is amended by adding a new section to
13 read:

14 **APPLICABILITY.** This Act applies to tax revenue collected by the Department of
15 Revenue under AS 43.75 and AS 43.77 for the 2012 tax year and subsequent tax years.

16 * **Sec. 10.** Sections 5 and 8 of this Act take effect February 1, 2013.

17 * **Sec. 11.** Except as provided in sec. 10 of this Act, this Act takes effect January 1, 2013.

FISCAL NOTE

STATE OF ALASKA
2012 LEGISLATIVE SESSION

Bill Version HB 184
 Fiscal Note Number _____
 () Publish Date _____

Identifier (file name) HB184-DCCED-DCRA-01-20-12 Dept. Affected DCCED
 Title REFUND OF FISH BUSINESS TAX TO MUNIS Appropriation Community and Regional Affairs
 Allocation Community and Regional Affairs
 Sponsor Representative P. Wilson
 Requester House Community & Regional Affairs OMB Component Number 2879

Expenditures/Revenues (Thousands of Dollars)

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

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates					
			FY13	FY14	FY15	FY16	FY17	FY18
OPERATING EXPENDITURES								
Personal Services	0.0		0.0	0.0	0.0	0.0	0.0	0.0
Travel	0.0		0.0	0.0	0.0	0.0	0.0	0.0
Services	0.0		0.0	0.0	0.0	0.0	0.0	0.0
Commodities	0.0		0.0	0.0	0.0	0.0	0.0	0.0
Capital Outlay								
Grants, Benefits								
Miscellaneous								
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE		(Thousands of Dollars)						
1002	Federal Receipts							
1003	GF Match							
1004	GF							
1005	GF/Prgm (DGF)							
1037	GF/MH (UGF)							
1178	temp code (UGF)							
TOTAL		0.0	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS								
Full-time								
Part-time								
Temporary								

CHANGE IN REVENUES								

Estimated SUPPLEMENTAL (FY12) operating costs 0.0 (separate supplemental appropriation required;
 (discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY13) costs 0.0 (separate capital appropriation required)
 (discuss reasons and fund source(s) in analysis section)

Why this fiscal note differs from previous version (if initial version, please note as such)

Initial Version

Prepared by Scott Ruby, Director
 Division Community and Regional Affairs
 Approved by Susan K. Bell, Commissioner
Commerce, Community, and Economic Development

Phone (907) 269-4569
 Date/Time 1/18/12 6:00pm
 Date 1/21/2012

FISCAL NOTE

STATE OF ALASKA
2012 LEGISLATIVE SESSION

BILL NO. HB 184

Analysis

Bill Summary: The state currently shares a portion of the taxes collected under the fisheries business tax (AS 43.75) and the fisheries resource landing tax (AS 43.77) with municipalities. This bill will increase the percentage of tax shared with municipalities that are collected under these programs.

The existing statutory formulas provide that 50% of the taxes collected are shared back with municipalities. The remaining 50% is kept by the state. This bill would increase the percentage shared with municipalities to 75% of taxes collected and reduce the percentage kept by the state to 25%.

There would be no fiscal impact to the Department if this legislation was enacted.

Fisheries Tax Revenue Share Analysis and Community Revenue Sharing

Communities	*Distribution under Current Law based on FY 2010	*Est. Dist. under Proposed Law	Difference	**2011 Comm. Revenue Sharing (CRS)
Adak	\$ 260,408	\$ 331,478	\$ 71,070	\$ 104,275
Akhiok	\$ 17,724	\$ 16,102	\$ (1,622)	\$ 100,012
Akiak	\$ 185	\$ 166	\$ (19)	\$ 113,352
Akutan	\$ 982,166	\$ 1,398,881	\$ 416,715	\$ 138,428
Alakanuk	\$ 64	\$ 57	\$ (7)	\$ 130,404
Aleknagik	\$ 9,018	\$ 8,094	\$ (924)	\$ 107,485
Aleutians East Borough	\$ 1,801,899	\$ 2,653,639	\$ 851,740	\$ 407,309
Anchorage	\$ 166,474	\$ 240,255	\$ 73,781	\$ 15,053,452
Angoon	\$ 2,042	\$ 1,832	\$ (210)	\$ 118,167
Atka	\$ 190,218	\$ 229,404	\$ 39,186	\$ 99,561
Bethel	\$ 1,079	\$ 968	\$ (111)	\$ 387,030
Brevig Mission	\$ 77	\$ 69	\$ (8)	\$ 113,954
Bristol Bay Borough	\$ 1,816,890	\$ 2,713,054	\$ 896,164	\$ 493,097
Chefornak	\$ 1,000	\$ 1,375	\$ 375	\$ 119,822
Chevak	\$ 77	\$ 69	\$ (8)	\$ 143,393
Chignik	\$ 85,639	\$ 126,741	\$ 41,102	\$ 99,109
Clark's Point	\$ 60,420	\$ 86,756	\$ 26,336	\$ 99,059
Coffman Cove	\$ 8,926	\$ 8,764	\$ (162)	\$ 105,629
Cold Bay	\$ 12,722	\$ 11,909	\$ (813)	\$ 100,213
Cordova	\$ 782,813	\$ 1,159,582	\$ 376,769	\$ 202,622
Craig	\$ 91,551	\$ 160,577	\$ 69,026	\$ 151,217
Delta Junction	\$ 588	\$ 883	\$ 295	\$ 152,571
Dillingham	\$ 278,947	\$ 394,106	\$ 115,159	\$ 209,543
Eek	\$ 175	\$ 157	\$ (18)	\$ 110,143
Egegik	\$ 91,833	\$ 133,764	\$ 41,931	\$ 99,661
Ekwok	\$ 7,170	\$ 6,435	\$ (735)	\$ 101,467
Elim	\$ 75	\$ 67	\$ (8)	\$ 112,901
Emmonak	\$ 8,285	\$ 12,386	\$ 4,101	\$ 134,817
Fairbanks North Star Borough	\$ 100	\$ 151	\$ 51	\$ 3,813,595
False Pass	\$ 16,785	\$ 19,085	\$ 2,300	\$ 98,056
Gambell	\$ 100	\$ 90	\$ (10)	\$ 129,401
Golovin	\$ 61	\$ 55	\$ (6)	\$ 103,723
Goodnews Bay	\$ 233	\$ 248	\$ 15	\$ 107,886
Gustavus	\$ 2,375	\$ 2,330	\$ (45)	\$ 118,618
Haines Borough	\$ 124,773	\$ 185,518	\$ 60,745	\$ 635,047
Holy Cross	\$ 38	\$ 35	\$ (3)	\$ 105,378
Homer	\$ 77,843	\$ 345,387	\$ 267,544	\$ 374,392
Hoonah	\$ 75,522	\$ 111,981	\$ 36,459	\$ 134,316
Houston	\$ 72	\$ 108	\$ 36	\$ 179,452
Hooper Bay	\$ 88	\$ 79	\$ (9)	\$ 154,076
Hydaburg	\$ 6,486	\$ 6,317	\$ (169)	\$ 113,052
Juneau	\$ 312,075	\$ 513,406	\$ 201,331	\$ 2,017,698
Kachemak	\$ 3,202	\$ 2,880	\$ (322)	\$ 117,565

*based on numbers from DOR

**based on number from DCCED

Fisheries Tax Revenue Share Analysis and Community Revenue Sharing

Communities	*Distribution under Current Law based on FY 2010	*Est. Dist. under Proposed Law	Difference	**2011 Comm. Revenue Sharing (CRS)
Kake	\$ 18,106	\$ 21,709	\$ 3,603	\$ 120,925
Kasaan	\$ 5,870	\$ 5,814	\$ (56)	\$ 98,808
Kenai	\$ 152,249	\$ 226,170	\$ 73,921	\$ 452,829
Kenai Peninsula Borough	\$ 629,177	\$ 1,196,311	\$ 567,134	\$ 2,554,445
Ketchikan	\$ 300,446	\$ 439,564	\$ 139,118	\$ 472,287
Ketchikan Gateway Borough	\$ 425,132	\$ 630,237	\$ 205,105	\$ 637,115
King Cove	\$ 507,282	\$ 737,163	\$ 229,881	\$ 133,313
Klawock	\$ 13,618	\$ 16,359	\$ 2,741	\$ 135,219
Kodiak, City of	\$ 821,442	\$ 1,185,442	\$ 364,000	\$ 428,304
Kodiak Island Borough	\$ 1,122,525	\$ 1,639,660	\$ 517,135	\$ 732,242
Kotlik	\$ 61	\$ 54	\$ (7)	\$ 126,994
Koyuk	\$ 77	\$ 69	\$ (8)	\$ 113,954
Kupreanof	\$ 7,247	\$ 6,533	\$ (714)	\$ 97,204
Kwethluk	\$ 254	\$ 228	\$ (26)	\$ 134,316
Lake & Peninsula Borough	\$ 255,076	\$ 358,863	\$ 103,787	\$ 611,689
Larsen Bay	\$ 77,151	\$ 104,738	\$ 27,587	\$ 99,962
Matanuska Susitna Borough	\$ 126	\$ 190	\$ 64	\$ 4,332,643
Manokotak	\$ 12,237	\$ 10,983	\$ (1,254)	\$ 117,966
Marshall	\$ 50	\$ 45	\$ (5)	\$ 116,763
Mekoryuk	\$ 4,684	\$ 6,931	\$ 2,247	\$ 104,726
Mountain Village	\$ 69	\$ 62	\$ (7)	\$ 135,219
Napakiak	\$ 184	\$ 165	\$ (19)	\$ 112,901
Napaskiak	\$ 199	\$ 178	\$ (21)	\$ 117,465
New Stuyahok	\$ 13,484	\$ 12,102	\$ (1,382)	\$ 122,029
Newhalen	\$ 7,987	\$ 7,169	\$ (818)	\$ 104,125
Nightmute	\$ 172	\$ 154	\$ (18)	\$ 109,240
Nome	\$ 23,481	\$ 35,033	\$ 11,552	\$ 269,926
North Pole	\$ 100	\$ 151	\$ 51	\$ 206,334
Nondalton	\$ 8,356	\$ 7,500	\$ (856)	\$ 105,328
Nunam Iqua	\$ 39	\$ 35	\$ (4)	\$ 105,679
Nunapitchuk	\$ 217	\$ 194	\$ (23)	\$ 123,032
Old Harbor	\$ 17,629	\$ 15,960	\$ (1,669)	\$ 105,679
Ouzinkie	\$ 47,174	\$ 59,886	\$ 12,712	\$ 104,526
Palmer	\$ 29	\$ 44	\$ 15	\$ 373,439
Pelican	\$ 26,551	\$ 35,259	\$ 8,708	\$ 102,118
Petersburg	\$ 624,061	\$ 924,816	\$ 300,755	\$ 245,101
Pilot Point	\$ 6,584	\$ 5,955	\$ (629)	\$ 99,310
Pilot Station	\$ 58	\$ 52	\$ (6)	\$ 124,937
Platinum	\$ 16,366	\$ 24,466	\$ 8,100	\$ 98,859
Port Alexander	\$ 7,392	\$ 6,664	\$ (728)	\$ 99,059
Port Heiden	\$ 12,677	\$ 11,867	\$ (810)	\$ 100,163
Port Lions	\$ 18,037	\$ 16,321	\$ (1,716)	\$ 106,030
Quinhagak	\$ 13,177	\$ 19,621	\$ 6,444	\$ 130,103

*based on numbers from DOR

**based on number from DCCED

Fisheries Tax Revenue Share Analysis and Community Revenue Sharing

Communities	*Distribution under Current Law based on FY 2010	*Est. Dist. under Proposed Law	Difference	**2011 Comm. Revenue Sharing (CRS)
Russian Mission	\$ 47	\$ 43	\$ (4)	\$ 114,205
Saint George	\$ 29,303	\$ 37,683	\$ 8,380	\$ 101,567
Saint Mary's	\$ 208	\$ 277	\$ 69	\$ 123,734
Saint Michael	\$ 83	\$ 75	\$ (8)	\$ 118,368
Saint Paul	\$ 787,642	\$ 1,177,258	\$ 389,616	\$ 119,020
Sand Point	\$ 228,813	\$ 313,000	\$ 84,187	\$ 146,202
Savoonga	\$ 1,299	\$ 1,886	\$ 587	\$ 132,159
Saxman	\$ 5,893	\$ 5,288	\$ (605)	\$ 117,766
Scammon Bay	\$ 56	\$ 50	\$ (6)	\$ 122,480
Seldovia	\$ 8,439	\$ 10,742	\$ 2,303	\$ 109,290
Seward	\$ 301,671	\$ 450,491	\$ 148,820	\$ 226,846
Shageluk	\$ 34	\$ 30	\$ (4)	\$ 100,865
Shaktoolik	\$ 67	\$ 60	\$ (7)	\$ 107,585
Sitka	\$ 959,059	\$ 1,447,860	\$ 488,801	\$ 912,658
Skagway	\$ 2,198	\$ 1,972	\$ (226)	\$ 447,581
Soldotna	\$ 4,501	\$ 4,678	\$ 177	\$ 297,660
Stebbins	\$ 95	\$ 86	\$ (9)	\$ 126,342
Tanana	\$ 52	\$ 78	\$ 26	\$ 108,588
Teller	\$ 69	\$ 62	\$ (7)	\$ 109,090
Tenekee Springs	\$ 2,187	\$ 2,124	\$ (63)	\$ 101,216
Thorne Bay	\$ 5,869	\$ 5,265	\$ (604)	\$ 117,264
Togiak	\$ 65,515	\$ 87,355	\$ 21,840	\$ 137,124
Toksook Bay	\$ 4,772	\$ 7,022	\$ 2,250	\$ 125,890
Unalakleet	\$ 14,925	\$ 22,324	\$ 7,399	\$ 132,360
Unalaska	\$ 6,731,030	\$ 10,003,719	\$ 3,272,689	\$ 279,655
Valdez	\$ 152,538	\$ 214,169	\$ 61,631	\$ 321,582
Wasilla	\$ 25	\$ 37	\$ 12	\$ 459,348
White Mountain	\$ 65	\$ 58	\$ (7)	\$ 106,131
Whittier	\$ 93,048	\$ 124,934	\$ 31,886	\$ 103,974
Wrangell	\$ 121,227	\$ 213,622	\$ 92,395	\$ 583,212
Yakutat	\$ 221,232	\$ 329,425	\$ 108,193	\$ 415,495
Total	\$ 22,237,013	\$ 33,117,630	\$ 10,880,617	\$ 48,858,511

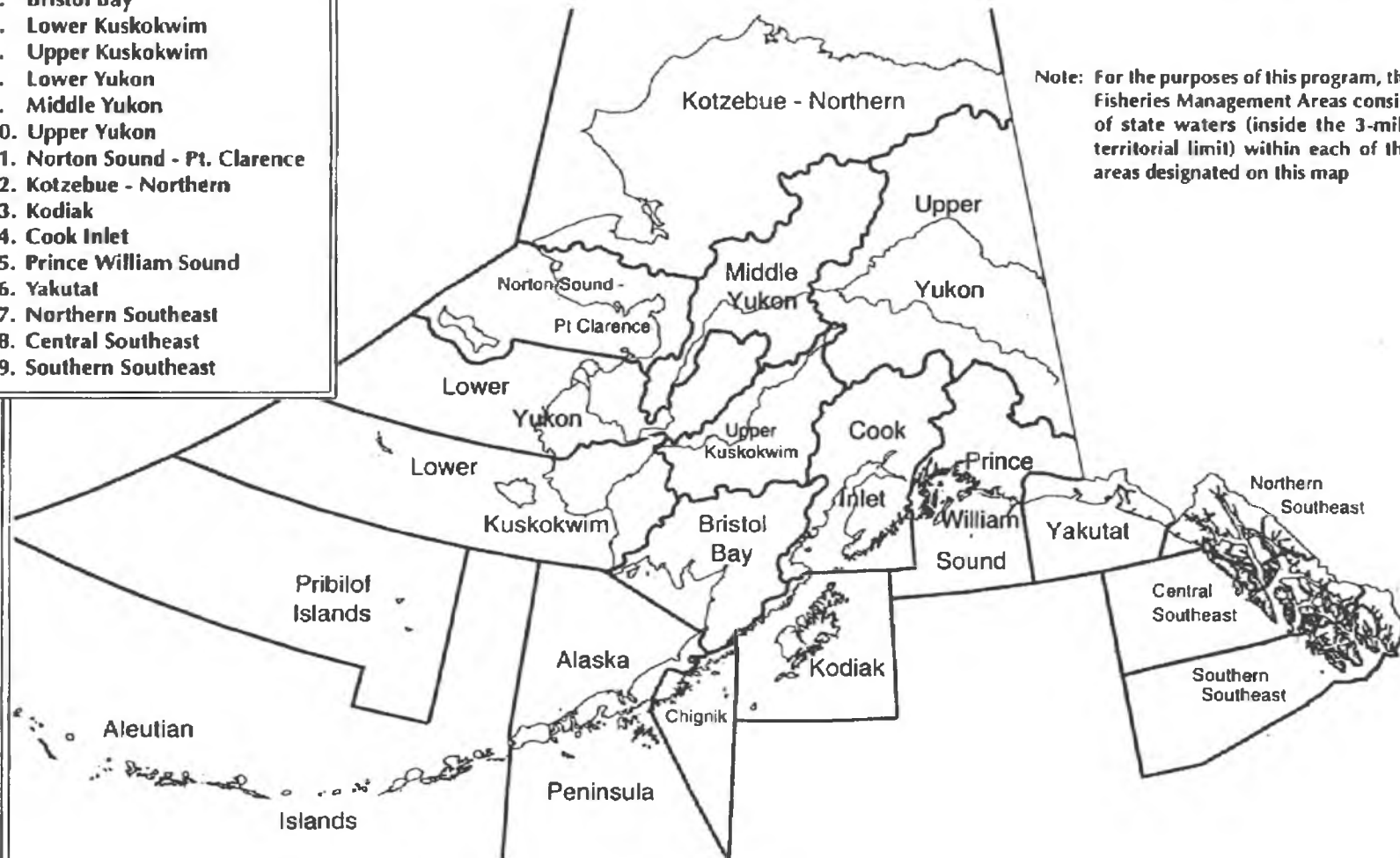
*based on numbers from DOR
 **based on number from DCCED

Fisheries Management Areas

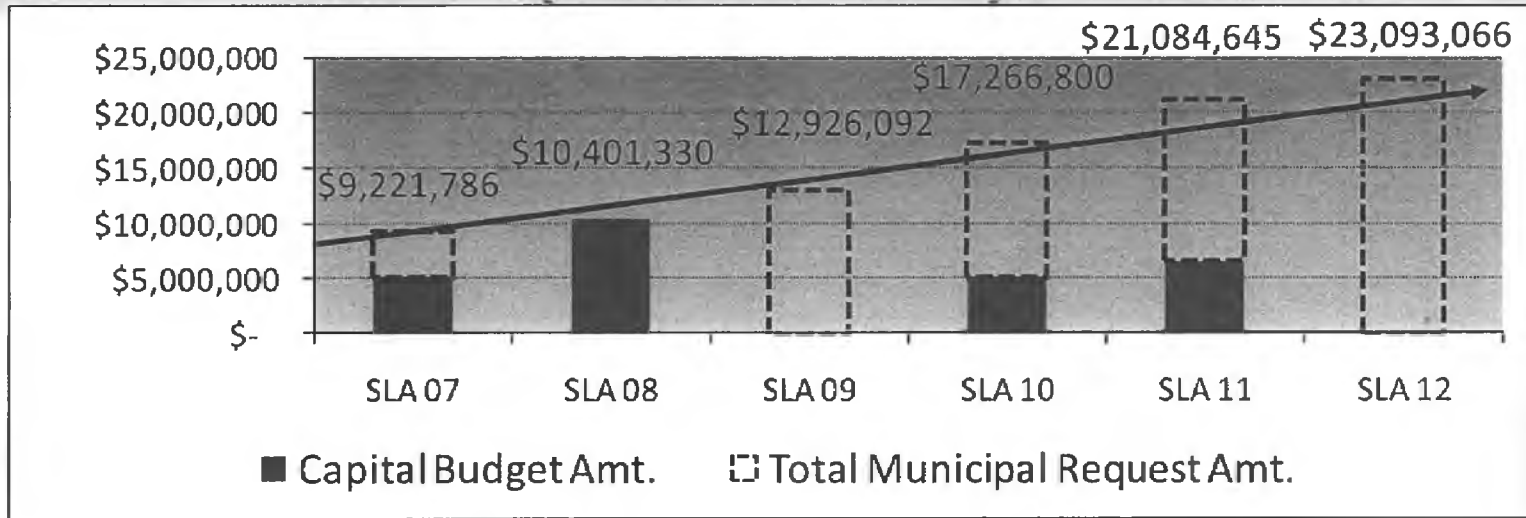
1. Pribilof Islands
2. Aleutian Islands
3. Alaska Peninsula
4. Chignik
5. Bristol Bay
6. Lower Kuskokwim
7. Upper Kuskokwim
8. Lower Yukon
9. Middle Yukon
10. Upper Yukon
11. Norton Sound - Pt. Clarence
12. Kotzebue - Northern
13. Kodiak
14. Cook Inlet
15. Prince William Sound
16. Yakutat
17. Northern Southeast
18. Central Southeast
19. Southern Southeast

DCED Shared Fisheries Business Tax Program Fisheries Management Areas

Note: For the purposes of this program, the Fisheries Management Areas consist of state waters (inside the 3-mile territorial limit) within each of the areas designated on this map



Municipal Harbor Facility Grant (AS 29.60.800)



FY13 Applicants (for SLA 12)	Project Name	Ranked Score	Amount Requested
Seldovia, City of	Seldovia Small Boat Harbor	138.2	\$ 1,000,000
Skagway, City of	Skagway Small Boat Harbor	134.2	\$ 5,000,000
Unalaska, City of	Robert Storrs Int'l Harbor	131.0	\$ 1,757,566
Hydaburg, City of	Hydaburg Small Boat Harbor	129.6	\$ 2,698,000
Petersburg, City of	North Harbor	127.8	\$ 3,500,000
Sitka, City and Borough of	ANB Harbor	123.8	\$ 4,250,000
Juneau, City and Borough of	Aurora Harbor	122.6	\$ 2,000,000
Hoonah, City of	Hoonah Harbor	108.0	\$ 207,500
Seward, City of	Seward Harbor	107.6	\$ 1,180,000
Nome, City of	Nome Harbor	85.0	\$ 1,500,000
			\$ 23,093,066

Alaska Association of Harbormasters and Port Administrators



RESOLUTION NO. 2011-02

A RESOLUTION OF THE ALASKA ASSOCIATION OF HARBORMASTERS AND PORT ADMINISTRATORS IN SUPPORT OF HOUSE BILL NO. 184 RELATING TO THE SHARING OF TAX REVENUES FROM THE FISHERIES BUSINESS TAX AND FISHERY RESOURCE LANDING TAX WITH MUNICIPALITIES.

Whereas, the Alaska Association of Harbormasters and Port Administrators recognizes the majority of the public boat harbors in Alaska were constructed by the State during the 1960s and 1970s; and

Whereas, the State of Alaska during the past 10 years has transferred ownership of most of these State owned harbors, many of which were at or near the end of their service life at the time of transfer, to local municipalities; and

Whereas, local municipalities are in need of additional funding to repair and in many cases replace the components in these former State owned harbors; and

Whereas, these harbor facilities represent critical transportation links and are the transportation hubs for waterfront commerce and economic development in Alaskan coastal communities, especially for those directly supporting the commercial fishing industry; and

Whereas, under the current tax system, the State shares revenues generated from the fisheries business tax and the fishery resource landing tax with the local municipalities where the fish are first landed and/or processed with 50% of the funds provided to the local municipalities; and

Whereas, under the provisions of House Bill No. 184, the local municipalities' share of the revenues generated from the fisheries business tax and the fishery resource landing tax would increase to 75%, with the intent that the additional revenue would help maintain and improve the harbor facilities.

Now therefore be it resolved that the Membership of the Alaska Association of Harbormasters and Port Administrators supports House Bill No. 184 and urges passage by the Alaska Legislature and signature by the Governor.

Passed and approved by a duly constituted quorum of the Alaska Association of Harbormasters and Port Administrators on this 12 day of October, 2011.

Steven R. Corporon, President

ATTEST:

Kim Elliot

Kim Elliot, Executive Secretary

CITY OF KETCHIKAN, ALASKA

RESOLUTION NO. 10-2324

A RESOLUTION OF THE CITY OF KETCHIKAN, ALASKA REQUESTING THE LEGISLATURE AMEND THE FISHERIES BUSINESS TAX (RAW FISH TAX) LAW TO SHARE MORE THAN THE CURRENT 50% OF THE TAX REVENUE WITH QUALIFIED MUNICIPALITIES; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, shared fisheries tax became law in 1962, at which time the amount of sharing with qualified municipalities was ten percent (10%); and

WHEREAS, the shared fisheries tax law evolved from a series of congressional and territorial legislation that originally taxed canned salmon receipts (and later other fisheries), for the purpose of funding fisheries-related activities in pre-territorial Alaska; and

WHEREAS, since becoming law, the amount of fisheries business tax shared with qualified municipalities has increased only twice: once in 1979 to 20% and again in 1981 to the present day fifty percent (50%) share; and

WHEREAS, the fisheries business tax revenue retained by the State, after being reduced for various credits, is now placed in the State's General Fund and is not designated for any specific purpose; and

WHEREAS, from inception of the fisheries tax to the mid-2000s, the vast majority of public harbor facilities throughout the State were owned by the State of Alaska Department of Transportation and operated by the individual municipalities; and

WHEREAS, from the mid-1990s to mid-2000s the State began to transfer ownership of these public harbors (many which were aging and in need of extensive maintenance and/or replacement) to the municipalities on an "as is, with all faults" basis, conveying to each municipality a Bill of Sale for the personal property along with a designated Legislative appropriation of a sum of money to perform necessary repairs and upgrades (deferred maintenance); and

WHEREAS, the Bills of Sale for these harbor facilities came with a covenant that the municipalities shall operate and maintain the harbor facilities for the use and benefit of the public and in the event the municipality fails or ceases to administer, maintain and operate the harbor facilities as public facilities, title to the facilities shall revert to the State of Alaska; and

WHEREAS, in many instances, the initial appropriations for "necessary repairs and upgrades" have not been sufficient to address the numerous deferred maintenance items conveyed from the State to the municipalities, requiring the municipalities to place burdens on their local treasuries; and

WHEREAS, the large majority of the communities who accepted the harbors from the State are communities that derive their main economic base from various fisheries businesses and their harbor facilities are the lifeblood of the community.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Ketchikan, Alaska as follows:

Section 1: The Council of the City of Ketchikan, Alaska requests the Legislature amend the Fisheries Business Tax (raw fish tax) law and share more than the current 50% of the tax revenue with the qualified municipalities. Increased share of the tax would encourage municipalities to continue to maintain, upgrade and operate the State transferred facilities to the greatest degree possible and would assist the municipalities to retain successful, working harbors.

Section 2: This resolution shall become effective immediately upon adoption.

PASSED AND APPROVED by a duly constituted quorum of the City Council for the City of Ketchikan on this 1st day of April, 2010.

Lew Williams III, Mayor

ATTEST:

Katherine M. Suiter, City Clerk

CITY OF PETERSBURG, ALASKA

RESOLUTION # 1993

**A RESOLUTION IN SUPPORT OF HOUSE BILL NO. 184 RELATING TO THE SHARING OF
TAX REVENUE FROM THE FISHERIES BUSINESS TAX AND FISHERY RESOURCE
LANDING TAX WITH MUNICIPALITIES**

WHEREAS, the majority of the public boat harbors in Alaska were constructed by the State during the 1960's and 1970's, and

WHEREAS, the State of Alaska in recent years has transferred ownership of most of these State owned harbors, many of which were at or near the end of their service life at the time of transfer, to local municipalities; and

WHEREAS, local municipalities are in need of additional funding to repair and in many cases replace the former State owned harbors; and

WHEREAS, these harbors represent critical transportation links and are the transportation hubs for waterfront commerce and economic development in Alaska, especially for communities directly supporting the commercial fishing industry, and


WHEREAS, under the current tax system, the State shares 50% of the revenues generated from the fisheries business tax and the fishery resource landing tax with the local municipalities where the fish are first landed and/or processed, and

WHEREAS, under provision of House Bill No. 184, the local municipalities' share of the revenues generated from the fisheries business tax and the fishery resource landing tax would increase to 75% with the intent that the additional revenue would help maintain and improve the harbor facilities.

THEREFORE BE IT RESOLVED, the Petersburg City Council supports House Bill No. 184 and urges passage by the Alaska Legislature and signature by the Governor.

Passed and Approved by the Petersburg City Council on December 19, 2011.

ATTEST:


Kathy O'Rear, City Clerk


Al Dwyer, Mayor

CITY AND BOROUGH OF WRANGELL, ALASKA

RESOLUTION NO. 04-11-1219

A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, SUPPORTING HB 184 REQUESTING THE ALASKA LEGISLATURE AMEND THE FISHERIES BUSINESS TAX, RAW FISH TAX LAW, TO SHARE 75% OF THE TAX REVENUE WITH QUALIFIED MUNICIPALITIES RATHER THAN 50% AND ALSO REDISTRIBUTE THE UNPROCESSED PORTION OF THE TAX TO THE COMMUNITY WHERE THE FISH IS FIRST LANDED

WHEREAS, shared fisheries tax became law in 1962 and the amount of sharing with qualified municipalities was then ten percent (10%); and

WHEREAS, the shared fisheries tax law evolved from a series of congressional and territorial legislation that originally taxed canned salmon receipts (and later other fisheries), for the purpose of funding fisheries-related activities in pre-territorial Alaska; and

WHEREAS, since becoming law, the amount of fisheries business tax shared with qualified municipalities has increased only twice: once in 1979 to 20% and again in 1981 to the present day fifty percent (50%) share; and

WHEREAS, the fisheries business tax revenue retained by the State, after being reduced for various credits, is now placed in the State's General Fund and is not designated for any specific purpose; and

WHEREAS, from inception of the fisheries tax to the mid 2000's the vast majority of public harbor facilities throughout the State were owned by the State of Alaska Department of Transportation and operated by the individual municipalities; and

WHEREAS, from the mid 1990's to mid 2000's the State began to transfer ownership of these public harbors (many which were aging and in need of extensive maintenance and/or replacement) to the municipalities on an "as is, with all faults" basis, conveying to each municipality a Bill of Sale for the personal property along with a designated Legislature appropriation of a sum of money to perform necessary repairs and upgrades (deferred maintenance); and

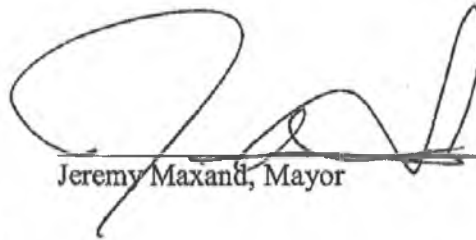
WHEREAS, the Bill of Sales for these harbor facilities came with a covenant that the municipalities shall operate and maintain the harbor facilities for the use and benefit of the public and in the event the municipality fails or ceases to administer, maintain and operate the harbor facilities as public facilities, title to the facilities shall revert to the State of Alaska; and

WHEREAS, in many instances, the initial appropriations for "necessary repairs and upgrades" have not been sufficient to address the numerous deferred maintenance items conveyed from the State to the municipalities, requiring the municipalities to place burdens on their local treasuries; and

WHEREAS, the large majority of the communities who accepted the harbors from the State are communities that derive their main economic base from various fisheries businesses and their harbor facilities are the lifeblood of the community.

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, requests the Alaska Legislature amend the Fisheries Business Tax (raw fish tax) law and share 75% of the tax revenue with the qualified municipalities and also redistribute the unprocessed portion of the tax to the community where the fish is first landed. The increased share of the tax would encourage municipalities to continue to maintain, upgrade and operate the State transferred facilities to the greatest degree possible and would assist the municipalities to retain successful, working harbors.

ADOPTED: April 12, 2011



Jeremy Maxand, Mayor

ATTEST: Carol Bean
Carol Bean, Deputy Clerk



7k

April 1, 2010
Regular Council Meeting

**Resolution No. 10-2324 – Requesting the
Legislature Amend the Fisheries Business Tax
(Raw Fish Tax) Law to Share More Than the
Current 50% of the Tax Revenue with Qualified
Municipalities – Mayor Williams**

Recommended Motion:

I move that the City Council approve Resolution No. 10-2324 requesting the Legislature amend the fisheries business tax law to share more than the current 50% of the tax revenue with qualified municipalities; and establishing an effective date.

**ALASKA MUNICIPAL LEAGUE
RESOLUTION #2011-05**

**A RESOLUTION BY THE ALASKA MUNICIPAL LEAGUE REQUESTING THE
LEGISLATURE AMEND THE FISHERIES BUSINESS TAX (RAW FISH TAX) LAW TO
SHARE MORE THAN THE CURRENT 50% OF THE TAX REVENUE WITH
QUALIFIED MUNICIPALITIES**

WHEREAS, shared fisheries tax became law in 1962 and the amount of sharing with qualified municipalities was then 10%; and

WHEREAS, the shared fisheries tax law evolved from a series of congressional and territorial legislation that originally taxed canned salmon receipts (and later, other fisheries) for the purpose of funding fisheries-related activities in pre-territorial Alaska; and

WHEREAS, since becoming law, the amount fisheries business tax shared with qualified municipalities has increased only twice; once in 1979 to 20% and again, in 1981 to the present 50% share; and

WHEREAS, the fisheries business tax revenue retained by the State, after being reduced for various credits, is now placed in the State's General Fund and is not designated for any specific purpose; and

WHEREAS, from inception of the fisheries tax to the mid-2000s, the vast majority of public harbor facilities throughout the State, were owned by the State of Alaska Department of Transportation and operated by the municipalities; and

WHEREAS, from the mid-1990s to mid-2000s, the State began to transfer ownership of these public harbors (many of which were aging and in need of extensive maintenance and/or replacement) to the municipalities on an "as is with all faults" basis, conveying to each municipality, a Bill of Sale for the personal property along with a designated Legislative appropriation of a sum of money to perform necessary repairs and upgrades (deferred maintenance); and

WHEREAS, the Bill of Sales for these harbor facilities came with a covenant that the municipalities shall operate and maintain the harbor facilities for the use and benefit of the public and in the event the municipality fails or ceases to administer, maintain and operate the harbor facilities as public facilities, title to the facilities shall revert to the State of Alaska; and

WHEREAS, in many instances, the initial appropriations for "necessary repairs and upgrades" have not been sufficient to address the numerous deferred maintenance items conveyed from the State to the municipalities, requiring municipalities to place burdens on their local treasuries; and

WHEREAS, the large majority of the communities who accepted the harbors from the State, are communities that derive their main economic base from various fisheries businesses, and their harbor facilities are the lifeblood of the community.

NOW, THEREFORE BE IT RESOLVED that the Alaska Municipal League requests the Legislature amend the Fisheries Business Tax (Raw Fish Tax) law and share more than the current 50% of the tax revenue with the qualified municipalities, as an increased share of the tax would encourage municipalities to continue to maintain, upgrade and operate the State transferred facilities to the greatest degree possible and would assist the municipalities in the retention of successful, working harbors.

PASSED AND APPROVED by the Alaska Municipal League on this 19th day of November, 2010.

Signed: _____
Hal Smalley, President, Alaska Municipal League

Attest: _____
Kathie Wasserman, Executive Director, Alaska Municipal League



Office of the City Manager

710 Mill Bay Road, Room 219, Kodiak, Alaska 99615

January 24, 2012

Honorable Members of the House Community and Regional Affairs Committee
State Capitol Building
Juneau, AK 99801

Re: HB 184. Proposed Reallocation of State Fisheries Tax

Honorable House Committee Members:

This letter is to inform the Committee of the City of Kodiak's position on HB 184 because City representatives will not be able to participate in the hearing scheduled for January 26, 2012.

The City of Kodiak understands and appreciates that the fish taxes are an important way our fishing industry helps underwrite the state and local support for the industry.

The City of Kodiak has concerns about the proposed reallocation of revenues collected and shared with communities under the Fisheries Business Tax and the Fisheries Resource Landing Tax.

The overall goal of increasing revenue percentages shared with communities is an acceptable goal and looks like it could increase Kodiak's receipt of shared taxes through these programs. However, the list below identifies the City of Kodiak's main concerns about changes to the current eligibility criteria and allocation methods.

- If the State does not agree to reduce their share of revenues collected under these programs, the eligibility criteria is expanded, and the amount of revenue remains the same, cities like Kodiak where processing does have a large impact will likely face reduced shared revenues.
- Kodiak is a very busy port and impacts from processing within the City and the type of infrastructure needed to support this level of commerce is substantial. Kodiak's ability to collect local taxes is limited. The City would find it difficult to compensate for the loss of shared tax revenue.
- Kodiak does recognize the need to maintain and replace port and harbor infrastructure, however we feel this issue is better handled through another allocative process.
- Kodiak believes there is another way to support the emerging fresh fish markets, especially in Southeast Alaska, without putting current allocation percentages in jeopardy.

Letter to House Community & Regional Affairs Committee re. HB 184

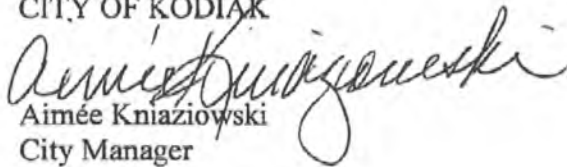
January 24, 2012

Page 2

Kodiak City is concerned that implementation of this bill will result in unintended consequences if the State retains its 50% share and agrees to expand the definitions of eligibility and allocations to other communities. Kodiak's infrastructure and operational needs remain the same, and we do not want to see our allocated percentage under both the Fisheries Business Tax and the Fisheries Resource Landing Tax reduced.

Sincerely

CITY OF KODIAK

A handwritten signature in cursive script, appearing to read "Aimée Kniazowski".

Aimée Kniazowski
City Manager

Cc: Kodiak City Mayor Patricia Branson
Kodiak City Council Members



Alaska State Legislature

Representative Peggy Wilson
House District 2

MEMORANDUM

Date: January 25, 2012

To: Representative Cathy Munoz, Community and Regional Affairs Committee
Chair

From: Representative Peggy Wilson

Re: HB 184 - Fisheries Business Tax CS Differences

I have requested the committee consider a CS to HB 184. The changes are:

1. Intent language was added to ensure that the intent to use these additional funds will be used for marine infrastructure improvements and maintenance.
2. Page 2 Line 29 and Page 4 Line 6 - a new subsection was added to have the boroughs and municipalities submit a report that describes how the funds received were used. The reports are required for both the revenues from the Fisheries Business Tax and the Fisheries Resource Landing Tax and can be combined into a single report
3. The third change modifies the existing language for the transition required when a new borough is formed..

FISCAL NOTE

STATE OF ALASKA
2012 LEGISLATIVE SESSION

Bill Version HB 184
Fiscal Note Number _____
() Publish Date _____

Identifier (file name) HB184-DOR-TAX-01-25-12 Dept. Affected Revenue
Title Refund of Fish Business Tax to Munis Appropriation Taxation and Treasury
Allocation Tax Division
Sponsor Rep. P. Wilson
Requester Request of the Governor OMB Component Number 2476

Expenditures/Revenues (Thousands of Dollars)

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

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates				
			FY14	FY15	FY16	FY17	FY18
OPERATING EXPENDITURES	FY13	FY13	FY14	FY15	FY16	FY17	FY18
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants, Benefits							
Miscellaneous							
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE		(Thousands of Dollars)					
1002	Federal Receipts						
1003	GF Match						
1004	GF						
1005	GF/Prgm (DGF)						
1037	GF/MH (UGF)						
1178	temp code (UGF)						
TOTAL		0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS							
Full-time							
Part-time							
Temporary							

CHANGE IN REVENUES	(15,000.0)	(15,000.0)	(15,000.0)	(15,000.0)	(15,000.0)	(15,000.0)	(15,000.0)
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Estimated SUPPLEMENTAL (FY12) operating costs 0.0 (separate supplemental appropriation required;
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY13) costs 0.0 (separate capital appropriation required)
(discuss reasons and fund source(s) in analysis section)

Why this fiscal note differs from previous version (if initial version, please note as such)

Initial version

Prepared by Tim Cottongim, Revenue Audit Supervisor I
Division Tax
Approved by Alicia Egan
Legislative Liaison

Phone (907) 465-3695
Date/Time 1/24/12 9:04 AM
Date _____

FISCAL NOTE

STATE OF ALASKA
2012 LEGISLATIVE SESSION

BILL NO. HB 184

Analysis

Bill Language:

Under current law, 50% of fisheries business taxes collected (without regard to all credits) may be appropriated to the organized city and/or borough in which processing activity takes place. If processing activity occurs outside an organized city and/or borough or the product is exported unprocessed from the state, 50% of the tax collected is transferred to DCCED for allocation to eligible municipalities under AS 29.60.450.

Under current law, 50% of fishery resource landing taxes collected (without regard to education and A.W. "Winn" Brindle credits) may be appropriated to the organized city and/or borough in which the fishery resource is first landed. If first landing occurs outside an organized city and/or borough, 50% of the tax collected is transferred to DCCED for allocation to eligible municipalities under AS 29.60.450.

HB 184 increases the percentage of fisheries business and fishery resource landing taxes that are shared with organized cities and boroughs from 50% to 75%. The bill increases the amount transferred to DCCED for resources processed (fisheries business) or first landed (fishery resource landing) outside an organized city and/or borough from 50% to 75%. HB 184 also authorizes appropriation of 75% of fisheries business taxes collected on fishery resources exported unprocessed from the state back to the organized city and/or borough where the fishery resource is first landed.

With the exception of the CDQ credit, all tax credits claimed against the fisheries business and fishery resource landing taxes reduce the states share and not the municipal share. Under HB 184 as currently written, if total tax credits claimed by a taxpayer exceed 25% of the gross tax collected for activities in a given community, there would be insufficient taxes collected from that taxpayer to meet the 75% share percentage going to that community. The shortfall would need to be paid for using other general fund tax receipts.

Revenues:

Impacts to annual general funds are based on current year gross tax collections and forecasts contained in the Fall 2011 Revenue Sources Book.

Expenditures:

Although provisions of this bill require enhancement to forms and our tax database system, those changes are minor and could be implemented with existing state resources.

FISCAL NOTE

STATE OF ALASKA
2012 LEGISLATIVE SESSION

Bill Version HB 184
 Fiscal Note Number _____
 () Publish Date _____

Identifier (file name) HB184-DCCED-DCRA-01-20-12 Dept. Affected DCCED
 Title REFUND OF FISH BUSINESS TAX TO MUNIS Appropriation Community and Regional Affairs
 Allocation Community and Regional Affairs
 Sponsor Representative P. Wilson
 Requester House Community & Regional Affairs OMB Component Number 2879

Expenditures/Revenues (Thousands of Dollars)

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

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates					
			FY13	FY14	FY15	FY16	FY17	FY18
OPERATING EXPENDITURES								
Personal Services	0.0		0.0	0.0	0.0	0.0	0.0	0.0
Travel	0.0		0.0	0.0	0.0	0.0	0.0	0.0
Services	0.0		0.0	0.0	0.0	0.0	0.0	0.0
Commodities	0.0		0.0	0.0	0.0	0.0	0.0	0.0
Capital Oulay								
Grants, Benefits								
Miscellaneous								
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE (Thousands of Dollars)

1002	Federal Receipts							
1003	GF Match							
1004	GF							
1005	GF/Prgm (DGF)							
1037	GF/MH (UGF)							
1178	temp code (UGF)							
	TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS

Full-time							
Part-time							
Temporary							

CHANGE IN REVENUES

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Estimated SUPPLEMENTAL (FY12) operating costs 0.0 (separate supplemental appropriation required;
 (discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY13) costs 0.0 (separate capital appropriation required;
 (discuss reasons and fund source(s) in analysis section)

Why this fiscal note differs from previous version (if initial version, please note as such)

Initial Version

Prepared by Scott Ruby, Director
 Division Community and Regional Affairs
 Approved by Susan K. Bell, Commissioner
Commerce, Community, and Economic Development

Phone (907) 269-4569
 Date/Time 1/18/12 6:00pm
 Date 1/21/2012

FISCAL NOTE

STATE OF ALASKA
2012 LEGISLATIVE SESSION

BILL NO. HB 184

Analysis

Bill Summary: The state currently shares a portion of the taxes collected under the fisheries business tax (AS 43.75) and the fisheries resource landing tax (AS 43.77) with municipalities. This bill will increase the percentage of tax shared with municipalities that are collected under these programs.

The existing statutory formulas provide that 50% of the taxes collected are shared back with municipalities. The remaining 50% is kept by the state. This bill would increase the percentage shared with municipalities to 75% of taxes collected and reduce the percentage kept by the state to 25%.

There would be no fiscal impact to the Department if this legislation was enacted.

27-LS0576R
Bullard
1/25/12

FOR HCRA

CS FOR HOUSE BILL NO. 184()

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SEVENTH LEGISLATURE - SECOND SESSION

BY

Offered:

Referred:

Sponsor(s): REPRESENTATIVES PEGGY WILSON, Thompson

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to the sharing of tax revenue from the fisheries business tax and**
2 **fishery resource landing tax with municipalities and to municipal reports relating to the**
3 **shared tax revenue; and providing for an effective date."**

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

5 *** Section 1.** The uncodified law of the State of Alaska is amended by adding a new section
6 to read:

7 **LEGISLATIVE INTENT.** It is the intent of the legislature that municipalities use the
8 additional revenue distributed under this Act to help maintain and improve their harbor
9 facilities.

10 *** Sec. 2.** AS 43.75.130(a) is amended to read:

11 (a) **Subject to appropriation by the legislature, and** except as provided in
12 (d) of this section, the commissioner shall pay

13 (1) to each unified municipality and to each city located in the
14 unorganized borough, 75 [50] percent of the amount of tax revenue collected in the

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municipality from taxes levied under this chapter;

(2) to each city located within a borough, 37.5 [25] percent of the amount of tax revenue collected in the city from taxes levied under this chapter; and

(3) to each borough

(A) 75 [50] percent of the amount of tax revenue collected in the area of the borough outside cities from taxes levied under this chapter; and

(B) 37.5 [25] percent of the amount of tax revenue collected in cities located within the borough from taxes levied under this chapter.

* Sec. 3. AS 43.75.130(d) is amended to read:

(d) Notwithstanding the provisions of (a)(2) and (a)(3)(B) of this section, and subject to appropriation by the legislature, the commissioner shall pay

(1) to each city that is located in a borough incorporated after June 16, 1987, the following percentages of the tax revenue collected in the city from taxes levied under this chapter:

(A) 67.5 [45] percent of the taxes collected during the calendar year in which the borough is incorporated;

(B) 60 [40] percent of the taxes collected during the first calendar year after the calendar year in which the borough is incorporated;

(C) 52.5 [35] percent of the taxes collected during the second calendar year after the calendar year in which the borough is incorporated; and

(D) 45 [30] percent of the taxes collected during the third calendar year after the calendar year in which the borough is incorporated; and

(2) to each borough that is incorporated after June 16, 1987, the following percentages of the tax revenue collected in the cities located within the borough from taxes levied under this chapter:

(A) 7.5 [5] percent of the taxes collected during the calendar year in which the borough is incorporated;

(B) 15 [10] percent of the taxes collected during the first calendar year after the calendar year in which the borough is incorporated;

(C) 22.5 [15] percent of the taxes collected during the second calendar year after the calendar year in which the borough is incorporated; and

1 (D) 30 [20] percent of the taxes collected during the third
2 calendar year after the calendar year in which the borough is incorporated.

3 * Sec. 4. AS 43.75.130(g) is amended to read:

4 (g) In this section, "tax revenue collected" means the revenue collected by
5 the department from taxes levied under this chapter on the value of fishery
6 resources that are either (1) processed in a municipality; or (2) first landed in a
7 municipality and exported from the state without being processed in the state;
8 "tax revenue collected" includes the amount credited against taxes under
9 AS 43.75.018.

10 * Sec. 5. AS 43.75.137 is amended to read:

11 Sec. 43.75.137. Additional refund. Subject to appropriation by the
12 legislature [TO THE EXTENT THAT APPROPRIATIONS ARE AVAILABLE FOR
13 THE PURPOSE, AND NOTWITHSTANDING THE REQUIREMENT OF
14 AS 37.07.080(e) THAT APPROVAL OF THE OFFICE OF MANAGEMENT AND
15 BUDGET IS REQUIRED], an amount equal to 75 [50] percent of the tax revenue that
16 is collected under this chapter from fisheries businesses and that is not subject to
17 division with a municipality under AS 43.75.130 shall be paid by [TRANSMITTED
18 EACH FISCAL YEAR, WITHOUT THE APPROVAL OF THE OFFICE OF
19 MANAGEMENT AND BUDGET, BY THE DEPARTMENT TO] the Department of
20 Commerce, Community, and Economic Development [FOR DISBURSAL] to eligible
21 municipalities under AS 29.60.450.

22 * Sec. 6. AS 43.75 is amended by adding a new section to article 3 to read:

23 Sec. 43.75.150. Municipal reports to the legislature. (a) Not more than 10
24 days after the convening of each regular legislative session, a municipality that
25 receives tax revenue under AS 43.75.130 - 43.75.137 shall prepare and submit to the
26 legislature a report that describes

27 (1) how those funds were used by the municipality in the previous
28 fiscal year; and

29 (2) any harbor maintenance or improvement projects that were funded
30 in whole or in part by the tax revenue collected under AS 43.75.130 - 43.75.137.

31 (b) The report required under (a) of this section may be made jointly with the

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report required under AS 43.77.060(f).

* **Sec. 7.** AS 43.77.060(a) is amended to read:

(a) Subject to appropriation by the legislature and except as provided in (b) of this section, the commissioner shall pay to each

(1) unified municipality and to each city located in the unorganized borough, 75 [50] percent of the amount of tax revenue collected from taxes levied under this chapter on the fishery resource landed in the municipality and accounted for under AS 43.77.050(b);

(2) city located within a borough, 37.5 [25] percent of the amount of the tax revenue collected from taxes levied under this chapter on fishery resources landed in the city and accounted for under AS 43.77.050(b); and

(3) borough

(A) 75 [50] percent of the amount of the tax revenue collected from taxes levied under this chapter on fishery resources landed in the area of the borough outside cities and accounted for under AS 43.77.050(b); and

(B) 37.5 [25] percent of the amount of the tax revenue collected from taxes levied under this chapter on fishery resources landed in cities located within the borough and accounted for under AS 43.77.050(b).

* **Sec. 8.** AS 43.77.060(d) is amended to read:

(d) Subject to appropriation by the legislature [TO THE EXTENT THAT APPROPRIATIONS ARE AVAILABLE FOR THE PURPOSE, AND NOTWITHSTANDING THE REQUIREMENT OF AS 37.07.080(e) THAT APPROVAL OF THE OFFICE OF MANAGEMENT AND BUDGET IS REQUIRED], an amount equal to 75 [50] percent of the tax revenue that is collected under this chapter and that is not subject to division with a municipality under (a) - (c) of this section shall be paid by [TRANSMITTED EACH FISCAL YEAR, WITHOUT THE APPROVAL OF THE OFFICE OF MANAGEMENT AND BUDGET, BY THE DEPARTMENT TO] the Department of Commerce, Community, and Economic Development [FOR DISBURSAL] to eligible municipalities under AS 29.60.450.

* **Sec. 9.** AS 43.77.060 is amended by adding a new subsection to read:

1 (f) Not more than 10 days after the convening of each regular legislative
2 session, a municipality that receives tax revenue under this section shall prepare and
3 submit to the legislature a report that describes how those funds were used by the
4 municipality in the previous fiscal year and that details any harbor maintenance or
5 improvement projects that were funded in whole or in part by that tax revenue. The
6 report may be made jointly with the report required under AS 43.75.150.

7 * **Sec. 10.** The uncodified law of the State of Alaska is amended by adding a new section to
8 read:

9 **APPLICABILITY.** This Act applies to tax revenue collected by the Department of
10 Revenue under AS 43.75 and AS 43.77 for the 2012 tax year and subsequent tax years.

11 * **Sec. 11.** Sections 6 and 9 of this Act take effect February 1, 2013.

12 * **Sec. 12.** Except as provided in sec. 11 of this Act, this Act takes effect January 1, 2013.

Sec. 43.75.130. Refund to local governments.

(a) Except as provided in (d) of this section, the commissioner shall pay

(1) to each unified municipality and to each city located in the unorganized borough, 50 percent of the amount of tax revenue collected in the municipality from taxes levied under this chapter;

(2) to each city located within a borough, 25 percent of the amount of tax revenue collected in the city from taxes levied under this chapter; and

(3) to each borough

(A) 50 percent of the amount of tax revenue collected in the area of the borough outside cities from taxes levied under this chapter; and

(B) 25 percent of the amount of tax revenue collected in cities located within the borough from taxes levied under this chapter.

(b) For purposes of this section, tax revenue collected under AS 43.75.015 from a person entitled to a credit under AS 43.75.032 shall be calculated as if the person's tax had been collected without applying the credit.

(c) [Repealed, Sec. 7 ch 79 SLA 1986].

(d) Notwithstanding the provisions of (a)(2) and (a)(3)(B) of this section, the commissioner shall pay

(1) to each city that is located in a borough incorporated after June 16, 1987 the following percentages of the tax revenue collected in the city from taxes levied under this chapter:

(A) ^{67.5}~~48~~ percent of the taxes collected during the calendar year in which the borough is incorporated;

(B) ⁶⁰~~48~~ percent of the taxes collected during the first calendar year after the calendar year in which the borough is incorporated;

(C) ^{52.5}~~39~~ percent of the taxes collected during the second calendar year after the calendar year in which the borough is incorporated; and

(D) ⁴⁵~~30~~ percent of the taxes collected during the third calendar year after the calendar year in which the borough is incorporated; and

(2) to each borough that is incorporated after June 16, 1987 the following percentages of the tax revenue collected in the cities located within the borough from taxes levied under this chapter:

(A) ^{7.5}~~8~~ percent of the taxes collected during the calendar year in which the borough is incorporated;

(B) ¹⁵~~10~~ percent of the taxes collected during the first calendar year after the calendar year in which the borough is incorporated;

(C) ^{22.5}~~15~~ percent of the taxes collected during the second calendar year after the calendar year in which the borough is incorporated; and

(D) ³⁰~~20~~ percent of the taxes collected during the third calendar year after the calendar year in which the borough is incorporated.

(e) Notwithstanding the provisions of (d) of this section, a city may adopt an ordinance to transfer a portion of the funds received under (d)(1) of this section to the borough in which the city is located.

(f) For purposes of this section, tax revenue collected under AS 43.75.015 from a person entitled to a credit under AS 43.75.035 or 43.75.036 shall be calculated as if the person's tax were collected without applying the credit; tax revenue collected does not include the amount of a tax credit recaptured under AS 43.75.035(g) or 43.75.036(g).

(g) In this section, "tax revenue collected" includes the amount credited against taxes under AS 43.75.018.

Sec. 43.75.133. Provision of information to municipalities.

(a) If the mayor, manager, or administrator of a municipality makes a written request, the department shall furnish the mayor, manager, or administrator of the municipality the names of all fisheries businesses that have filed tax returns under this chapter in which the fisheries business listed the municipality as the location in which the fisheries business processed a fisheries resource subject to the tax imposed under this chapter.

Fisheries
Business
Tax
Sect 3 of
Bill

Sec. 43.77.060. Revenue sharing.

(a) Subject to appropriation by the legislature and except as provided in (b) of this section, the commissioner shall pay to each

(1) unified municipality and to each city located in the unorganized borough, 50 percent of the amount of tax revenue collected from taxes levied under this chapter on the fishery resource landed in the municipality and accounted for under AS 43.77.050(b);

(2) city located within a borough, 25 percent of the amount of the tax revenue collected from taxes levied under this chapter on fishery resources landed in the city and accounted for under AS 43.77.050(b); and

(3) borough

(A) 50 percent of the amount of the tax revenue collected from taxes levied under this chapter on fishery resources landed in the area of the borough outside cities and accounted for under AS 43.77.050(b); and

(B) 25 percent of the amount of the tax revenue collected from taxes levied under this chapter on fishery resources landed in cities located within the borough and accounted for under AS 43.77.050(b).

(b) Notwithstanding the provisions of (a)(2) and (a)(3)(B) of this section, and subject to appropriation by the legislature, the commissioner shall pay to each

(1) city that is located in a borough incorporated after January 1, 1994, the following percentages of the tax revenue collected from taxes levied under this chapter on fishery resources landed in the city and accounted for under AS 43.77.050(b):

(A) ^{67.5}~~45~~ percent of the tax revenue collected during the calendar year in which the borough is incorporated;

(B) ⁶⁰~~40~~ percent of the tax revenue collected during the first calendar year after the calendar year in which the borough is incorporated;

(C) ^{52.5}~~35~~ percent of the tax revenue collected during the second calendar year after the calendar year in which the borough is incorporated; and

(D) ⁴⁵~~30~~ percent of the tax revenue collected during the third calendar year after the calendar year in which the borough is incorporated; and

(2) borough that is incorporated after January 1, 1994, the following percentages of the tax revenue collected from taxes levied under this chapter on fishery resources landed in the cities located within the borough and accounted for under AS 43.77.050(b):

(A) ⁷⁵~~five~~ percent of the tax revenue collected during the calendar year in which the borough is incorporated;

(B) ¹⁵~~10~~ percent of the tax revenue collected during the first calendar year after the calendar year in which the borough is incorporated;

(C) ^{22.5}~~15~~ percent of the tax revenue collected during the second calendar year after the calendar year in which the borough is incorporated; and

(D) ³⁰~~20~~ percent of the tax revenue collected during the third calendar year after the calendar year in which the borough is incorporated.

(c) Notwithstanding the provisions of (b) of this section, a city may adopt an ordinance to transfer a portion of the funds received under (b)(1) of this section to the borough in which the city is located.

(d) To the extent that appropriations are available for the purpose, and notwithstanding the requirement of AS 37.07.080(e) that approval of the office of management and budget is required, an amount equal to 50 percent of the tax revenue that is collected under this chapter and is not subject to division with a municipality under (a) - (c) of this section shall be transmitted each fiscal year, without the approval of the office of management and budget, by the department to the Department of Commerce, Community, and Economic Development for disbursement to eligible municipalities under AS 29.60.450.

(e) For purposes of this section, tax revenue collected under AS 43.77.010 from a person entitled to a credit under AS 43.77.035 or 43.77.045 shall be calculated as if the person's tax had been collected without applying the credits.

Sec. 43.77.070. Regulations.

The department shall adopt regulations to implement and interpret this chapter.

Fisheries
Resource
Landing
Tax
Amendment
1

AMENDMENT

OFFERED IN THE HOUSE

TO: CSHB 184(), Draft Version "R"

1 Page 4, following line 18:

2 Insert a new bill section to read:

3 **"* Sec. 8.** AS 43.77.060(b) is amended to read:

4 (b) Notwithstanding the provisions of (a)(2) and (a)(3)(B) of this section, and
5 subject to appropriation by the legislature, the commissioner shall pay to each

6 (1) city that is located in a borough incorporated after January 1, 1994,
7 the following percentages of the tax revenue collected from taxes levied under this
8 chapter on fishery resources landed in the city and accounted for under
9 AS 43.77.050(b):

10 (A) 67.5 [45] percent of the tax revenue collected during the
11 calendar year in which the borough is incorporated;

12 (B) 60 [40] percent of the tax revenue collected during the first
13 calendar year after the calendar year in which the borough is incorporated;

14 (C) 52.5 [35] percent of the tax revenue collected during the
15 second calendar year after the calendar year in which the borough is
16 incorporated; and

17 (D) 45 [30] percent of the tax revenue collected during the third
18 calendar year after the calendar year in which the borough is incorporated; and

19 (2) borough that is incorporated after January 1, 1994, the following
20 percentages of the tax revenue collected from taxes levied under this chapter on
21 fishery resources landed in the cities located within the borough and accounted for
22 under AS 43.77.050(b):

23 (A) 7.5 [FIVE] percent of the tax revenue collected during the

1 calendar year in which the borough is incorporated;

2 (B) 15 [10] percent of the tax revenue collected during the first
3 calendar year after the calendar year in which the borough is incorporated;

4 (C) 22.5 [15] percent of the tax revenue collected during the
5 second calendar year after the calendar year in which the borough is
6 incorporated; and

7 (D) 30 [20] percent of the tax revenue collected during the third
8 calendar year after the calendar year in which the borough is incorporated."
9

10 Renumber the following bill sections accordingly.

11
12 Page 4, line 11:

13 Delete "Sections 6 and 9"

14 Insert "Sections 6 and 10"
15

16 Page 5, line 12:

17 Delete "sec. 11"

18 Insert "sec. 12"

Date: January 30, 2012
Prepared by: John Bernasconi, Chief of Revenue Operation (907) 465-4773
Tim Cottongim, Revenue Audit Supervisor (907) 465-3695

Data Source: DOR Tax Division

This analysis is based on Tax Year 2010 Fisheries Business (FB) and Fishery Resource Landing (FLT) tax returns that requested credit for Salmon Product Development (FB only), Winn Brindle, or Alaska Education. Some taxpayers have claimed multiple credits on a single return

Fisheries Business Tax Tax Year 2010		
	Count	Amount
Taxpayer (all returns)	374	45,750,012.12
who claimed credits	37	
SPD Credits	30	(2,380,371.94)
Winn Brindle	8	(184,817.35)
Alaska Education	3	(449,730.00)
Multiple credits	4	

Fisheries Business Tax Tax Year 2010 Shared Tax Data ¹		
	Count	Amount
Of taxpayers that claim a credit	37	16,286,479.87
community share at 50%	31	(8,143,239.93)
credits claimed	42	(3,014,919.29)
available for the general fund		<u>5,128,320.64</u>
State share is less than \$0 ²	1	(11,178.03)
Of taxpayers that claim a credit	37	16,286,479.87
community share at 75%	31	(12,214,859.90)
credits claimed	42	(3,014,919.29)
available for the general fund		<u>1,056,700.68</u>
State share is less than \$0 ³	21	(683,208.86)

Notes

- 1 - Shared data for Fisheries Business returns that had a credit claimed
- 2 - The total tax minus 50% share minus credits
- 3 - The total tax minus 75% share minus credits

Fishery Resource Landing Tax Tax Year 2010		
	Count	Amount
Taxpayer (all returns)	82	9,482,855.81
who claimed credits	11	
SPD Credits ⁵	-	
Winn Brindle	0	
Alaska Education	11	(637,750.00)
Multiple credits	0	

Fishery Resource Landing Tax Tax Year 2010 Shared Tax Data ¹		
	Count	Amount
Of taxpayers that claim a credit	11	3,934,203.50
community share at 50%	1 + note 4	(1,967,101.75)
credits claimed	11	(637,750.00)
available for the general fund		<u>1,329,351.75</u>
State share is less than \$0 ²	1	(19,096.14)
Of taxpayers that claim a credit	11	3,934,203.50
community share at 75%	1 + note 4	(2,950,652.63)
credits claimed	11	(637,750.00)
available for the general fund		<u>345,800.88</u>
State share is less than \$0 ³	2	(135,332.96)

Notes

1 - Shared data for Fishery Resource Landing returns that had a credit claimed

2 - The total tax minus 50% share minus credits

3 - The total tax minus 75% share minus credits

4 - Of returns filed that claimed a credit, one community received landing tax from Tax Division - the remainder was transferred to DCCED

5 - The Salmon Product Development credit is available on Fisheries Business returns only

Date: January 30, 2012
Prepared by: John Bernasconi, Chief of Revenue Operation (907) 465-4773
Tim Cottongim, Revenue Audit Supervisor (907) 465-3695

Data Source: DOR Tax Division, DCCED
Data is from Tax Year 2009

The proposed change assumes communities continue to receive 50% of both Fisheries Business (FB) and Fishery Resource Landing Tax revenue however, Fisheries Business Tax on **exported** and **unprocessed** resources are reallocated to municipalities from where the resource was **presumed** to be exported

Communities	Distribution under current law	Estimated Distribution under Proposed change	Difference
Adak	\$ 260,408	\$ 233,893	\$ (26,515)
Akhiok	\$ 17,724	\$ 13,064	\$ (4,659)
Akiak	\$ 185	\$ 136	\$ (50)
Akutan	\$ 982,166	\$ 951,515	\$ (30,651)
Alakanuk	\$ 64	\$ 47	\$ (17)
Aleknagik	\$ 9,018	\$ 6,603	\$ (2,415)
Aleutians East Borough	\$ 1,801,899	\$ 1,782,430	\$ (19,469)
Anchorage	\$ 166,474	\$ 163,297	\$ (3,177)
Angoon	\$ 2,042	\$ 1,495	\$ (547)
Atka	\$ 190,218	\$ 165,273	\$ (24,945)
Bethel	\$ 1,079	\$ 790	\$ (289)
Brevig Mission	\$ 77	\$ 56	\$ (21)
Bristol Bay Borough	\$ 1,816,890	\$ 1,811,431	\$ (5,458)
Chefornak	\$ 1,000	\$ 945	\$ (55)
Chevak	\$ 77	\$ 57	\$ (21)
Chignik	\$ 85,639	\$ 84,876	\$ (763)
Clark's Point	\$ 60,420	\$ 58,698	\$ (1,722)
Coffman Cove	\$ 8,926	\$ 6,894	\$ (2,032)
Cold Bay	\$ 12,722	\$ 9,533	\$ (3,188)
Cordova	\$ 782,813	\$ 776,307	\$ (6,506)
Craig	\$ 91,551	\$ 108,061	\$ 16,509
Delta Junction	\$ 588	\$ 588	\$ -
Dillingham	\$ 278,947	\$ 268,141	\$ (10,807)
Eek	\$ 175	\$ 128	\$ (47)
Egegik	\$ 91,833	\$ 90,062	\$ (1,772)
Ekwok	\$ 7,170	\$ 5,250	\$ (1,920)
Elim	\$ 75	\$ 55	\$ (20)
Emmonak	\$ 8,285	\$ 8,267	\$ (18)
Fairbanks North Star Borough	\$ 100	\$ 100	\$ -
False Pass	\$ 16,785	\$ 14,077	\$ (2,708)
Gambell	\$ 100	\$ 73	\$ (27)
Golovin	\$ 61	\$ 45	\$ (16)
Goodnews Bay	\$ 233	\$ 188	\$ (45)
Gustavus	\$ 2,375	\$ 1,828	\$ (548)
Haines Borough	\$ 124,773	\$ 124,043	\$ (730)
Holy Cross	\$ 38	\$ 28	\$ (10)
Homer	\$ 77,843	\$ 230,733	\$ 152,890
Hoonah	\$ 75,522	\$ 74,943	\$ (579)
Houston	\$ 72	\$ 72	\$ -
Hooper Bay	\$ 88	\$ 65	\$ (24)
Hydaburg	\$ 6,486	\$ 4,970	\$ (1,517)
Juneau	\$ 312,075	\$ 344,040	\$ 31,965
Kachemak	\$ 3,202	\$ 2,347	\$ (855)

Communities	Distribution under current law	Estimated Distribution under Proposed change	Difference
Kake	\$ 18,106	\$ 15,684	\$ (2,422)
Kasaan	\$ 5,870	\$ 4,541	\$ (1,330)
Kenai	\$ 152,249	\$ 151,270	\$ (979)
Kenai Peninsula Borough	\$ 629,177	\$ 798,463	\$ 169,286
Ketchikan	\$ 300,446	\$ 296,162	\$ (4,284)
Ketchikan Gateway Borough	\$ 425,132	\$ 422,468	\$ (2,665)
King Cove	\$ 507,282	\$ 496,722	\$ (10,560)
Klawock	\$ 13,618	\$ 11,810	\$ (1,808)
Kodiak, City of	\$ 821,442	\$ 800,939	\$ (20,503)
Kodiak Island Borough	\$ 1,122,525	\$ 1,103,175	\$ (19,350)
Kotlik	\$ 61	\$ 44	\$ (16)
Koyuk	\$ 77	\$ 56	\$ (21)
Kupreanof	\$ 7,247	\$ 5,319	\$ (1,927)
Kwethluk	\$ 254	\$ 186	\$ (68)
Lake & Peninsula Borough	\$ 255,076	\$ 244,520	\$ (10,556)
Larsen Bay	\$ 77,151	\$ 72,267	\$ (4,883)
Matanuska Susitna Borough	\$ 126	\$ 126	\$ -
Manokotak	\$ 12,237	\$ 8,961	\$ (3,277)
Marshall	\$ 50	\$ 37	\$ (13)
Mekoryuk	\$ 4,684	\$ 4,641	\$ (42)
Mountain Village	\$ 69	\$ 51	\$ (18)
Napakiak	\$ 184	\$ 134	\$ (49)
Napaskiak	\$ 199	\$ 145	\$ (53)
New Stuyahok	\$ 13,484	\$ 9,873	\$ (3,611)
Newhalen	\$ 7,987	\$ 5,848	\$ (2,139)
Nightmute	\$ 172	\$ 126	\$ (46)
Nome	\$ 23,481	\$ 23,397	\$ (84)
North Pole	\$ 100	\$ 100	\$ -
Nondalton	\$ 8,356	\$ 6,119	\$ (2,238)
Nunam Iqua	\$ 39	\$ 28	\$ (10)
Nunapitchuk	\$ 217	\$ 159	\$ (58)
Old Harbor	\$ 17,629	\$ 12,970	\$ (4,659)
Ouzinkie	\$ 47,174	\$ 42,341	\$ (4,833)
Palmer	\$ 29	\$ 29	\$ -
Pelican	\$ 26,551	\$ 24,521	\$ (2,030)
Petersburg	\$ 624,061	\$ 619,050	\$ (5,011)
Pilot Point	\$ 6,584	\$ 4,841	\$ (1,743)
Pilot Station	\$ 58	\$ 43	\$ (16)
Platinum	\$ 16,366	\$ 16,329	\$ (37)
Port Alexander	\$ 7,392	\$ 5,426	\$ (1,966)
Port Heiden	\$ 12,677	\$ 9,500	\$ (3,177)
Port Lions	\$ 18,037	\$ 13,266	\$ (4,771)
Quinhagak	\$ 13,177	\$ 13,113	\$ (64)

Communities	Distribution under current law	Estimated Distribution under Proposed change	Difference
Russian Mission	\$ 47	\$ 35	\$ (13)
Saint George	\$ 29,303	\$ 26,516	\$ (2,787)
Saint Mary's	\$ 208	\$ 192	\$ (15)
Saint Michael	\$ 83	\$ 61	\$ (22)
Saint Paul	\$ 787,642	\$ 784,855	\$ (2,787)
Sand Point	\$ 228,813	\$ 215,382	\$ (13,431)
Savoonga	\$ 1,299	\$ 1,271	\$ (28)
Saxman	\$ 5,893	\$ 4,314	\$ (1,579)
Scammon Bay	\$ 56	\$ 41	\$ (15)
Seldovia	\$ 8,439	\$ 7,587	\$ (852)
Seward	\$ 301,671	\$ 300,775	\$ (895)
Shageluk	\$ 34	\$ 25	\$ (9)
Shaktoolik	\$ 67	\$ 49	\$ (18)
Sitka	\$ 959,059	\$ 970,701	\$ 11,642
Skagway	\$ 2,198	\$ 1,609	\$ (589)
Soldotna	\$ 4,501	\$ 3,580	\$ (922)
Stebbins	\$ 95	\$ 70	\$ (26)
Tanana	\$ 52	\$ 52	\$ -
Teller	\$ 69	\$ 51	\$ (19)
Tenekee Springs	\$ 2,187	\$ 1,673	\$ (514)
Thorne Bay	\$ 5,869	\$ 4,296	\$ (1,572)
Togiak	\$ 65,515	\$ 60,663	\$ (4,852)
Toksook Bay	\$ 4,772	\$ 4,711	\$ (61)
Unalakleet	\$ 14,925	\$ 14,897	\$ (28)
Unalaska	\$ 6,731,030	\$ 6,646,134	\$ (84,896)
Valdez	\$ 152,538	\$ 146,032	\$ (6,506)
Wasilla	\$ 25	\$ 25	\$ -
White Mountain	\$ 65	\$ 48	\$ (17)
Whittier	\$ 93,048	\$ 86,542	\$ (6,506)
Wrangell	\$ 121,227	\$ 144,442	\$ 23,214
City & Borough of Yakutat	\$ 221,232	\$ 220,155	\$ (1,077)
Total	\$ 22,237,016	\$ 22,237,031	

* Note: Difference in totals due to rounding

Terry Harvey

From: Rep. Cathy Munoz
Sent: Wednesday, February 01, 2012 3:31 PM
To: Terry Harvey
Subject: FW: HB 184 response to HCRA question

Terry, please include with our committee info.

From: Katie Koester [<mailto:kkoester@ci.homer.ak.us>]
Sent: Wednesday, February 01, 2012 3:11 PM
To: Rep. Cathy Munoz; Rep. Alan Austerman; Rep. Alan Dick; Rep. Dan Saddler; Rep. Sharon Cissna; Rep. Berta Gardner
Cc: Rebecca Rooney; Rep. Peggy Wilson
Subject: HB 184 response to HCRA question

Dear House Community and Regional Affairs Committee,

At the Community and Regional Affairs hearing on HB 184 on Thursday, January 26th Representative Saddler asked the City of Homer how we currently spend the Fisheries Business Tax revenue (FY 2010 distribution of \$77,843). I would like to confirm to the Committee that the City of Homer spends all of the Fisheries Business Tax revenue we receive on the Port and Harbor infrastructure that supports the fishy; the fish dock and associated equipment. They City has dedicated this funding stream to fish dock infrastructure for at least the past 10 years and will continue to use any Fisheries Business Tax or Fisheries Landing Tax revenue on port and harbor maintenance and improvements.

Please let me know if you have any other questions for the City of Homer.

Thank you for your time and attention.

Sincerely,

Katie Koester

Community and Economic Development Coordinator

City of Homer

FISCAL NOTE

STATE OF ALASKA
2012 LEGISLATIVE SESSION

Bill Version CSHB 184 (CRA)
 Fiscal Note Number _____
 () Publish Date _____

Identifier (file name) HB184-DCCED-DCRA-01-26-12 Dept. Affected DCCED
 Title REFUND OF FISH BUSINESS TAX TO MUNIS Appropriation Community and Regional Affairs
 Allocation Community and Regional Affairs
 Sponsor Representative P. Wilson
 Requester House Finance OMB Component Number 2879

Expenditures/Revenues (Thousands of Dollars)

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

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates					
			FY13	FY14	FY15	FY16	FY17	FY18
OPERATING EXPENDITURES								
Personal Services	0.0		0.0	0.0	0.0	0.0	0.0	0.0
Travel	0.0		0.0	0.0	0.0	0.0	0.0	0.0
Services	0.0		0.0	0.0	0.0	0.0	0.0	0.0
Commodities	0.0		0.0	0.0	0.0	0.0	0.0	0.0
Capital Outlay								
Grants, Benefits								
Miscellaneous								
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE (Thousands of Dollars)

1002	Federal Receipts							
1003	GF Match							
1004	GF							
1005	GF/Prgm (DGF)							
1037	GF/MH (UGF)							
1178	temp code (UGF)							
TOTAL		0.0	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS

Full-time							
Part-time							
Temporary							

CHANGE IN REVENUES

--	--	--	--	--	--	--	--

Estimated **SUPPLEMENTAL (FY12) operating costs** 0.0 (separate supplemental appropriation required,
 (discuss reasons and fund source(s) in analysis section)

Estimated **CAPITAL (FY13) costs** 0.0 (separate capital appropriation required)
 (discuss reasons and fund source(s) in analysis section)

Why this fiscal note differs from previous version (if initial version, please note as such)

Narrative reflects the fiscal impacts to the state of this bill. New version of bill adds reporting requirements for municipalities.

Prepared by Scott Ruby, Director
 Division Community and Regional Affairs
 Approved by JoEllen Hanrahan, Director Administrative Services Division
Commerce, Community, and Economic Development

Phone (907) 269-4569
 Date/Time 1/26/12 9:00pm
 Date 1/28/2012

FISCAL NOTE

STATE OF ALASKA
2012 LEGISLATIVE SESSION

BILL NO. CSHB 184 (CRA)

Analysis

Bill Summary: The state currently shares a portion of the taxes collected under the fisheries business tax (AS 43.75) and the fisheries resource landing tax (AS 43.77) with municipalities. This bill will increase the percentage of tax shared with municipalities that are collected under these programs.

The existing statutory formulas provide that 50% of the taxes collected are shared back with municipalities. The remaining 50% is kept by the state. This bill would increase the percentage shared with municipalities to 75% of taxes collected and reduce the percentage kept by the state to 25%.

Using FY10 numbers, municipalities received \$22,237,013 through the two programs. If this bill had been in effect, they would have received \$33,117,630 and the state share would have been reduced by \$10,880,617.

There would be no fiscal impact to the Department if this legislation was enacted.