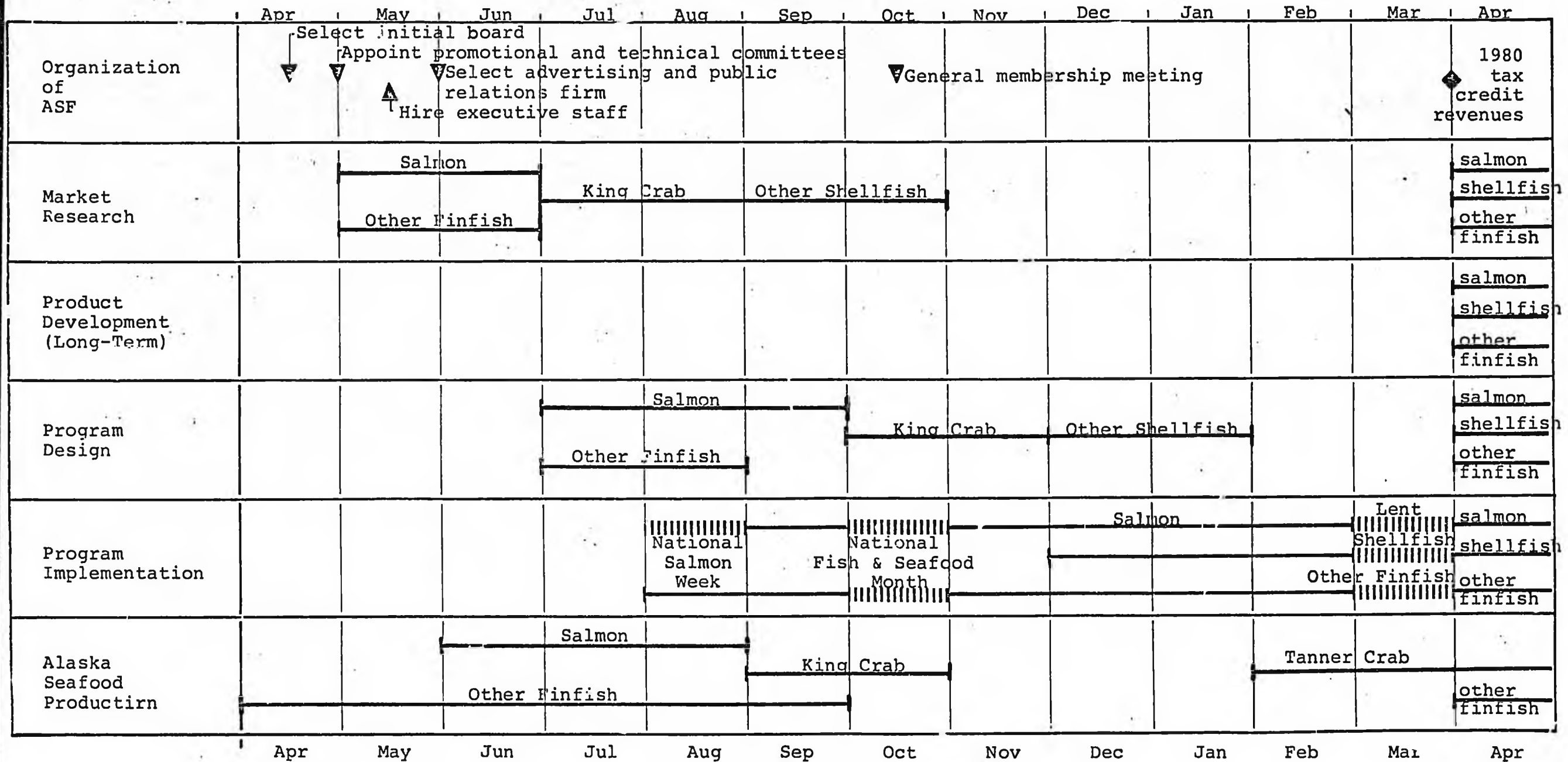


LEG. FINANCE - BILLS 1979 - 1980 1200

HB 962 cont., thru CSHB 962 1200

ALASKA SEAFOOD FOUNDATION  
1980 Promotional Program



Original sponsor: Rules Committee  
by request

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 962 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act allowing credits against fisheries taxes; and  
7 providing for an effective date."

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

9 \* Section 1. AS 43.75 is amended by adding a new section to read:

0 Sec. 43.75.035. SEAFOOD ASSOCIATION CREDIT. (a) A person is  
1 allowed as a credit against the tax levied under AS 43.75.015 or 43.-  
2 75.100 an amount equal to the amount that person donated during the tax  
3 year to a corporation described in (b) of this section and included on  
4 the list prepared under (d) of this section. The credit allowed by this  
5 section may not exceed 15 percent of the total tax liability under  
6 AS 43.75.015 or 43.75.100 computed without the credit allowed in this  
7 section.

8 (b) A person is entitled to a credit under this section for the  
9 amount he donated during the tax year to a nonprofit corporation orga-  
10 nized under AS 10.20 which

1 (1) is organized for the purposes of

2 (A) assisting the Alaska seafood industry to improve the  
3 quality and purity of seafood produced in Alaska; and

4 (B) assisting in the development and maintenance of  
5 markets for seafood produced in Alaska;

6 (2) represents commercial fishermen and fish processors in  
7 each of the administrative areas established by the Alaska Commercial  
8 Fisheries Entry Commission under AS 16.43.100(3);

9 (3) provides services for fishermen and processors of all  
10

1 species of fish and their by-products which are harvested in Alaska and  
2 processed for human consumption;

3 (4) includes on its board of directors representatives of  
4 commercial fishermen and of fish processors;

5 (5) establishes quality control programs for the seafood  
6 harvested and processed in Alaska by the members of the corporation;

7 (6) prepares an annual market research and product develop-  
8 ment plan for the promotion of all species of fish and their by-products  
9 which are harvested in Alaska and processed for human consumption;

0 (7) submits an annual report to the governor and the legisla-  
11 ture describing its activities; and

2 (8) permits the commissioner of revenue or his designee and  
3 the legislative audit division to inspect its offices and its accounts  
4 to determine whether it meets the criteria described in this subsection;

5 (9) has its main offices in the state and provides that the  
6 annual meeting of the membership and all meetings of the full board of  
7 directors shall be held in the state;

8 (10) is not organized for the purpose of promoting and does  
9 not promote species of seafood products by geographic origin other than  
10 from Alaska;

11 (11) includes in its board of directors three nonvoting mem-  
12 bers, one appointed by the governor, one appointed by the president of  
13 the senate, and one appointed by the speaker of the house of repre-  
14 sentatives.

15 (c) A donation to a corporation that has as its main purpose the  
16 promotion of or the development and maintenance of markets for a speci-  
17 fic brand of Alaska seafood may not be allowed as a credit under this  
18 section.

19 (d) By January 1 of each year the Department of Revenue shall

1 prepare and make available to the public a list of corporations which  
2 meet the criteria in (b) of this section.

3 \* Sec. 2. AS 43.75.130 is amended by adding a new subsection to read:

4 (b) The amount of tax revenue collected for purposes of this  
5 section is the amount that would have been collected without deduction  
6 of the credits allowed in AS 43.75.035.

7 \* Sec. 3. FISHERIES BUSINESS TAX DONATIONS FUND. (a) There is created  
8 in the Department of Revenue the fisheries business tax donations fund. The  
9 fisheries business tax donations fund may be financed only by appropriations  
0 from the legislature. The commissioner of revenue shall administer the  
1 fisheries business tax donations fund.

2 (b) A person who paid a tax under AS 43.75.015 or 43.75.100 for the  
3 1979 tax year may make a written request to the commissioner of revenue  
4 before January 1, 1981, that up to 15 percent of the tax paid by the person  
5 for the 1979 tax year be paid to a corporation described in AS 43.75.035(b).

6 (c) Within 60 days after receipt of a request described in (b) of this  
7 section, the commissioner of revenue shall pay the amount requested to the  
8 corporation from the fisheries business tax donations fund.

9 \* Sec. 4. This Act is retroactive to January 1, 1980, and applies to tax  
0 years beginning after December 31, 1979.

1 \* Sec. 5. This Act takes effect immediately in accordance with AS 01.10.-  
2 070(c).

Original sponsor: Rules Committee  
by request

Offered: 4/2/80  
Referred: Finance

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 CS FOR HOUSE BILL NO. 962

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act allowing credits against fisheries taxes; and  
7 providing for an effective date."

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

9 \* Section 1. AS 43.75 is amended by adding a new section to read:

10 Sec. 43.75.035. SEAFOOD ASSOCIATION CREDIT. (a) A person is  
11 allowed as a credit against the tax levied under AS 43.75.015 or 43.-  
12 75.100 an amount equal to the amount that person donated during the tax  
13 year to a corporation described in (b) of this section and included on  
14 the list prepared under (d) of this section. The credit allowed by this  
15 section may not exceed 15 percent of the total tax liability under  
16 AS 43.75.015 or 43.75.100 computed without the credit allowed in this  
17 section.

18 (b) A person is entitled to a credit under this section for the  
19 amount he donated during the tax year to a nonprofit corporation orga-  
20 nized under AS 10.20 which

21 (1) is organized for the purposes of

22 (A) assisting the Alaska seafood industry to improve the  
23 quality and purity of seafood produced in Alaska; and

24 (B) assisting in the development and maintenance of  
25 markets for seafood produced in Alaska;

26 (2) represents commercial fishermen and fish processors in  
27 each of the administrative areas established by the Alaska Commercial  
28 Fisheries Entry Commission under AS 16.43.100(a)(3);

29 (3) provides services for fishermen and processors of all

1 species of fish and their by-products which are harvested in Alaska and  
2 processed for human consumption;

3 (4) includes on its board of directors representatives of  
4 commercial fishermen and of fish processors;

5 (5) establishes quality control programs for the seafood  
6 harvested and processed in Alaska by the members of the corporation;

7 (6) prepares an annual market research and product develop-  
8 ment plan for the promotion of all species of fish and their by-products  
9 which are harvested in Alaska and processed for human consumption;

10 (7) submits an annual report to the governor and the legisla-  
11 ture describing its activities; and

12 (8) permits the commissioner of revenue or his designee to  
13 inspect its offices and its accounts to determine whether it meets the  
14 criteria described in this subsection.

15 (c) A donation to a corporation that has as its main purpose the  
16 promotion of or the development and maintenance of markets for a speci-  
17 fic brand of Alaska seafood may not be allowed as a credit under this  
18 section.

19 (d) By January 1 of each year the Department of Revenue shall  
20 prepare and make available to the public a list of corporations which  
21 meet the criteria in (b) of this section.

22 \* Sec. 2. This Act is retroactive to January 1, 1979, and applies to tax  
23 years beginning after December 31, 1978.

24 \* Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-  
25 070(c).

Introduced: 3/17/80  
Referred: Resources and Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE  
BY REQUEST

2 HOUSE BILL NO. 962

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act allowing credits against fisheries taxes; and  
7 providing for an effective date."

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

9 \* Section 1. AS 43.75 is amended by adding a new section to read:

10 Sec. 43.75.035. SEAFOOD ASSOCIATION CREDIT. (a) A person is  
11 allowed as a credit against the tax levied under AS 43.75.015 or 43.-  
12 75.100 an amount equal to the amount that person donated during the tax  
13 year to a corporation described in (b) of this section and included on  
14 the list prepared under (d) of this section. The credit allowed by this  
15 section may not exceed 15 percent of the total tax liability under  
16 AS 43.75.015 or 43.75.100 as computed without the credit allowed in this  
17 section.

18 (b) A person is entitled to a credit under this section for the  
19 amount he donated during the tax year to a nonprofit corporation orga-  
20 nized under AS 10.20 which

21 (1) is organized for the purposes of

22 (A) assisting the Alaska seafood industry to improve the  
23 quality and purity of seafood produced in Alaska; and

24 (B) assisting in the development and maintenance of  
25 markets for seafood produced in Alaska;

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27 each of the administrative areas established by the Alaska Commercial  
28 Fisheries Entry Commission under AS 16.43.100(a)(3);

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1 species of fish and their by-products which are harvested in Alaska and  
2 processed for human consumption;

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6 harvested and processed in Alaska by the members of the corporation;

7 (6) prepares an annual market research and product develop-  
8 ment plan for the promotion of all species of fish and their by-products  
9 which are harvested in Alaska and processed for human consumption;

10 (7) submits an annual report to the governor and the legisla-  
11 ture describing its activities; and

12 (8) permits the commissioner of revenue or his designee to  
13 inspect its offices and its accounts to determine whether it meets the  
14 criteria described in (1) - (7) of this subsection.

15 (c) A donation to a corporation that has as its main purpose the  
16 promotion of or the development and maintenance of markets for a speci-  
17 fic brand of Alaska seafood may not be allowed as a credit under this  
18 section.

19 (d) By January 1 of each year the Department of Revenue shall  
20 prepare and make available to the public a list of corporations which  
21 meet the criteria established in (b) of this section.

22 \* Sec. 2. This Act is retroactive to January 1, 1980, and applies to tax  
23 years beginning after December 31, 1979.

24 \* Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-  
25 070(c).

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

- FISCAL NOTE

I. REQUEST

Bill/Resolution No. House Bill No. 962 Page 1 of 4  
 Title An Act allowing credits against fisheries taxes.  
 Requested by House Resources & Finance Committees Date 3/24/80

II. FISCAL DETAIL

Agency Affected Revenue  
 Program Category Affected Fiscal Services  
 BRU, Program, or Subprogram(s) Affected Audit Division  
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES		37.5	37.5	37.5	37.5	37.5
200 TRAVEL		5.5	5.5	5.5	5.5	5.5
300 CONTRACTUAL		3.1	3.1	3.1	3.1	3.1
400 COMMODITIES		.5	.5	.5	.5	.5
500 EQUIPMENT		1.2	1.2	1.2	1.2	1.2
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>		<b>47.8</b>	<b>47.8</b>	<b>47.8</b>	<b>47.8</b>	<b>47.8</b>

FUNDING (Thousands of Dollars)

GENERAL FUND		47.8	47.8	47.8	47.8	47.8
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		1	1	1	1	1
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

See attached memorandum to R. D. Stevenson dated 3/24/80.

IV. DATE March 24, 1980

PREPARED BY *Ray Stork*  
 AGENCY Department of Revenue, Audit Division  
 PHONE 465-2320

Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

STATE  
of ALASKA

## MEMORANDUM

TO:  R. D. Stevenson  
Special Assistant  
Department of Revenue

DATE: March 24, 1980

FILE NO:

TELEPHONE NO:

FROM: Gary L. Jenkins  
Director  
Audit Division

SUBJECT: House Bill No. 962

This bill provides for the establishment of fisheries industry trade associations which would be funded by the State of Alaska through the form of a special tax credit given to fish processors on their fish processing tax returns. Each processor would be allowed a credit on a dollar for dollar basis for contributions to the fishery association in an amount up to 15 percent of the fish processors' tax due.

There would appear to be a legitimate question regarding whether there is a clear need for the State of Alaska to directly fund trade associations for the fishing industry, an industry which, incidentally, is largely dominated by Japanese interests. The fishing industry is already provided income tax incentives to improve their processing facilities in the form of the investment credit, both at the federal and state levels. It should also be noted that any expenditures made by a processor which are in any way a business expense related to processing or marketing of fish products, are tax deductible under the corporate income tax. Further, it would seem logical that all processors would be putting forth maximum effort to produce a product which has the best possible appeal in the market place.

With regard to enhancing the quality of the product itself, the State of Alaska already has inspectors from the Department of Health and Social Services and the Department of Natural Resources working with processors in an effort to ensure proper quality of the product produced.

Inasmuch as every processor doing business in the State of Alaska could form a seafood association as defined in the proposed law, we are requesting one permanent full time Auditor position to handle the auditing functions provided for in the proposed Section 43.75.035(b)(8).

1	POSITION TITLE Revenue Auditor III			RANGE/STEP 18 A	BARG. UNIT. G	LOCATION Juneau	667	APPROV.	DISAP
2	TYPE OF POSITION PFT	STAFF MONTHS 12	RP No.	PCN No.	PRIORITY	FORM 12	PAGE/LINE	LEG.	
3	TYPE OF EXPENDITURE			AMOUNT					
	1	2	3						
4	PERSONAL SERVICES: SALARY		29,580						
5	BENEFITS		4,399						
6	FICA		1,967						
7	HEALTH INS.		1,524						
8	TOTAL PERSONAL SERVICES			37,470					
9	TRAVEL			5,500					
10	CONTRACTUAL			3,160					
11	COMMODITIES			450					
12	EQUIPMENT			1,200					
13	OTHER								
14	TOTAL COST			47,780					
	CODE	FUNDING SOURCE							
15		FED RCPTS.							
16		GF MATCH.							
17		GEN. FUND		47,780					
18		I-A RCPTS							
19		PGM RCPTS							
20		OTHER							
21	CONTINUATION								
22	ADDITION	X	FOR DEM USE ONLY						
KEY NUMBER				COLUMN NO.					

JUSTIFICATION:

Ina: as every fish processor doing business in the State of Alaska could form a seafood association as defined in the proposed law, we are requesting one permanent full time Auditor position to handle the auditing functions provided for in the proposed Section 43.75.035(b)(8).

AGENCY Department of Revenue PROGRAM AREA Revenue Collection and Management

BRU Audit Division

FY 81

**13** REQUEST FOR NEW POSITION.

COMPONENT \_\_\_\_\_

Page \_\_\_\_\_ of \_\_\_\_\_

REVISED DATE \_\_\_\_\_

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. II B 962

Title An act allowing credits against Fisheries Taxes

Requested by \_\_\_\_\_ Date 3-21-80

II. FISCAL DETAIL

Agency Affected \_\_\_\_\_

Program Category Affected \_\_\_\_\_

BRU, Program, or Subprogram(s) Affected \_\_\_\_\_

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Millions of Dollars)

GENERAL FUND	-----	(1.2)	-----	-----	unknown	-----
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

The above mentioned assumes that 25% of the taxpayer credits are actually taken. The basis for the FY 81 data is the forecast in the Revenue Source book which incorporates catch and price projections.

The cost to the general fund in subsequent fiscal years is indeterminate but dependant on varying credits, harvests and prices. It is likely that there will be a slight increase over time in credits taken.

IV. DATE 3/24/80

PREPARED BY [Signature]

AGENCY Revenue

PHONE 2371

Original: Legislative Finance  
cc: Budget and Management  
Prime Sponsor (First Legislator Named)

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

HB 962

I. REQUEST  
 Bill, Resolution No. House Bill No. 962  
 Title An Act allowing credits against fisheries taxes.  
 Requested by House Resources & Finance Committees Date 3/24/80

II. FISCAL DETAIL  
 Agency Affected \_\_\_\_\_ Revenue \_\_\_\_\_  
 Program Category Affected \_\_\_\_\_ Fiscal Services \_\_\_\_\_  
 BRU, Program, or Subprogram(s) Affected \_\_\_\_\_ Audit Division \_\_\_\_\_  
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES		37.5	37.5	37.5	37.5	37.5
200 TRAVEL		5.5	5.5	5.5	5.5	5.5
300 CONTRACTUAL		3.1	3.1	3.1	3.1	3.1
400 COMMODITIES		.5	.5	.5	.5	.5
500 EQUIPMENT		1.2	1.2	1.2	1.2	1.2
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		47.8	47.8	47.8	47.8	47.8

FUNDING (Thousands of Dollars)


GENERAL FUND		47.8	47.8	47.8	47.8	47.8
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		1	1	1	1	1
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

See attached memorandum to R. D. Stevenson dated 3/24/80.

IV. DATE March 24, 1980 PREPARED BY   
 AGENCY Department of Revenue Audit Division  
 PHONE 465-2320  
 Original: Legislative Finance  
 cc: Budget and Management  
Prime Sponsor (First Legislator Named)

STATE  
of ALASKA

## MEMORANDUM

TO:  R. D. Stevenson  
Special Assistant  
Department of Revenue

DATE: March 24, 1980

FILE NO:

TELEPHONE NO:

FROM: Gary L. Jenkins  
Director  
Audit Division

SUBJECT: House Bill No. 962

This bill provides for the establishment of fisheries industry trade associations which would be funded by the State of Alaska through the form of a special tax credit given to fish processors on their fish processing tax returns. Each processor would be allowed a credit on a dollar for dollar basis for contributions to the fishery association in an amount up to 15 percent of the fish processors' tax due.

There would appear to be a legitimate question regarding whether there is a clear need for the State of Alaska to directly fund trade associations for the fishing industry, an industry which, incidentally, is largely dominated by Japanese interests. The fishing industry is already provided income tax incentives to improve their processing facilities in the form of the investment credit, both at the federal and state levels. It should also be noted that any expenditures made by a processor which are in any way a business expense related to processing or marketing of fish products, are tax deductible under the corporate income tax. Further, it would seem logical that all processors would be putting forth maximum effort to produce a product which has the best possible appeal in the market place.

With regard to enhancing the quality of the product itself, the State of Alaska already has inspectors from the Department of Health and Social Services and the Department of Natural Resources working with processors in an effort to ensure proper quality of the product produced.

Inasmuch as every processor doing business in the State of Alaska could form a seafood association as defined in the proposed law, we are requesting one permanent full time Auditor position to handle the auditing functions provided for in the proposed Section 43.75.035(b)(8).

1	POSITION TITLE Revenue Auditor III				RANGE/STEP 18 A	BARG. UNIT. G	LOCATION Juneau	66V	APPROV.	DISAPP.
2	TYPE OF POSITION PFT	STAFF MONTHS 12	RP No.	PCN No.	PRIORITY	FORM 12	PAGE/LINE	LEC		
3	TYPE OF EXPENDITURE			AMOUNT		JUSTIFICATION:  Inasmuch as every fish processor doing business in the State of Alaska could form a seafood association as defined in the proposed law, we are requesting one permanent full time Auditor position to handle the auditing functions provided for in the proposed Section 43.75.035(b) (8).				
	1	2	3							
4	PERSONAL SERVICES: SALARY		29,580							
5	BENEFITS		4,399							
6	FICA		1,967							
7	HEALTH INS.		1,524							
8	TOTAL PERSONAL SERVICES		37,470							
9	TRAVEL		5,500							
10	CONTRACTS		3,160							
11	COMMODITIES		450							
12	EQUIPMENT		1,200							
13	OTHER									
14	TOTAL COST		47,780							
	CODE	FUNDING SOURCE								
15		FED RCPTS.								
16		GF MATCH.								
17		GEN. FUND		47,780						
18		I-A RCPTS.								
19		PGM RCPTS								
20		OTHER								
21	CONTINUATION		FOR B&M USE ONLY							
22	ADDITION	X								
TA KEY NUMBER _____ COLUMN NO. _____										

AGENCY Department of Revenue PROGRAM AREA Revenue Collection and Management

BRU Audit Division

FY 81

**13** REQUEST FOR NEW  
POSITION

COMPONENT \_\_\_\_\_

Page \_\_\_\_\_ of \_\_\_\_\_

REVISED  
DATE \_\_\_\_\_

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

HB 962

FISCAL NOTE

I. REQUEST

Bill/Resolution No. House Bill No. 962  
Title An Act allowing credits against fisheries taxes.  
Requested by House Resources & Finance Committees Date 3/24/80

II. FISCAL DETAIL

Agency Affected Revenue  
Program Category Affected Fiscal Services  
BRU, Program, or Subprogram(s) Affected Audit Division

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES		37.5	37.5	37.5	37.5	37.5
200 TRAVEL		5.5	5.5	5.5	5.5	5.5
300 CONTRACTUAL		3.1	3.1	3.1	3.1	3.1
400 COMMODITIES		.5	.5	.5	.5	.5
500 EQUIPMENT		1.2	1.2	1.2	1.2	1.2
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		47.8	47.8	47.8	47.8	47.8

FUNDING (Thousands of Dollars)

GENERAL FUND		47.8	47.8	47.8	47.8	47.8
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		1	1	1	1	1
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

See attached memorandum to R. D. Stevenson dated 3/24/80.

IV. DATE March 24, 1980 PREPARED BY [Signature]  
AGENCY Department of Revenue, Audit Division  
PHONE 465-2320  
Original: Legislative Finance  
cc: Budget and Management  
Prime Sponsor (First Legislator Named)

STATE  
of ALASKA

## MEMORANDUM

TO:  R. D. Stevenson  
Special Assistant  
Department of Revenue

DATE: March 24, 1980

FILE NO:

TELEPHONE NO:

FROM: Gary L. Jenkins  
Director  
Audit Division

SUBJECT: House Bill No. 962

This bill provides for the establishment of fisheries industry trade associations which would be funded by the State of Alaska through the form of a special tax credit given to fish processors on their fish processing tax returns. Each processor would be allowed a credit on a dollar for dollar basis for contributions to the fishery association in an amount up to 15 percent of the fish processors' tax due.

There would appear to be a legitimate question regarding whether there is a clear need for the State of Alaska to directly fund trade associations for the fishing industry, an industry which, incidentally, is largely dominated by Japanese interests. The fishing industry is already provided income tax incentives to improve their processing facilities in the form of the investment credit, both at the federal and state levels. It should also be noted that any expenditures made by a processor which are in any way a business expense related to processing or marketing of fish products, are tax deductible under the corporate income tax. Further, it would seem logical that all processors would be putting forth maximum effort to produce a product which has the best possible appeal in the market place.

With regard to enhancing the quality of the product itself, the State of Alaska already has inspectors from the Department of Health and Social Services and the Department of Natural Resources working with processors in an effort to ensure proper quality of the product produced.

Inasmuch as every processor doing business in the State of Alaska could form a seafood association as defined in the proposed law, we are requesting one permanent full time Auditor position to handle the auditing functions provided for in the proposed Section 43.75.035(b)(8).

1	POSITION TITLE Revenue Auditor III			RANGE/STEP 18 A	BARG. UNIT. G	LOCATION Juneau	GOV	APPROV	DISAP
2	TYPE OF POSITION PFT	STAFF MONTHS 12	RP No.	PCN No.	PRIORITY	FORM 12 PAGE/LINE	LEG		
3	TYPE OF EXPENDITURE			AMOUNT		JUSTIFICATION:			
	1	2	3		<p>Inasmuch as every fish processor doing business in the State of Alaska could form a seafood association as defined in the proposed law, we are requesting one permanent full time Auditor position to handle the auditing functions provided for in the proposed Section 43.75.035(b)(8).</p>				
4	PERSONAL SERVICES: SALARY		29,580						
5	BENEFITS		4,399						
6	FICA		1,967						
7	HEALTH INS.		1,524						
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10	CONTRACTUAL		3,160						
11	COMMODITIES		450						
12	EQUIPMENT		1,200						
13	OTHER								
14	TOTAL COST		47,780						
15	CODE	FUNDING SOURCE							
16		FED RCPTS.							
17		GF MATCH.							
18		GEN. FUND		47,780					
19		I-A RCPTS.							
20		PGM RCPTS							
21		OTHER							
21	CONTINUATION								
22	ADDITION	X							
				FOR BSM USE ONLY					
A. KEY NUMBER				COLLIM. NO.					

AGENCY Department of Revenue PROGRAM AREA Revenue Collection and Management

BRU Audit Division

FY 81

**13** REQUEST FOR NEW  
POSITION.

COMPONENT \_\_\_\_\_

Page \_\_\_\_\_ of \_\_\_\_\_

REVISED  
DATE \_\_\_\_\_

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. H B 962  
 Title An act allowing credits against Fisheries Taxes  
 Requested by \_\_\_\_\_ Date 3-24-80

II. FISCAL DETAIL

Agency Affected \_\_\_\_\_  
 Program Category Affected \_\_\_\_\_  
 BRU, Program, or Subprogram(s) Affected \_\_\_\_\_  
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>						

FUNDING (Millions of Dollars)

GENERAL FUND	-----	(1.2)	-----	-----	unknown	-----
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

The above mentioned assumes that 25% of the taxpayer credits are actually taken. The basis for the FY 81 data is the forecast in the Revenue Source book which incorporates catch and price projections.

The cost to the general fund in subsequent fiscal years is indeterminate but dependant on varying credits, harvests and prices. It is likely that there will be a slight increase over time in credits taken.

IV. DATE 3/24/80 PREPARED BY [Signature]  
 AGENCY Revenue  
 Original: Legislative Finance PHONE 2371  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)



# RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James O Smith  
Signature of Camera Operator

3/20/90  
Date



Introduced: 3/19/80  
Referred: Resources and Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 963

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act amending the Oil and Gas Corporate Income Tax  
7 Act; and providing for an effective date."

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

9 \* Section 1. AS 43.21.010 is amended to read:

10 Sec. 43.21.010. APPLICATION. This chapter applies to every  
11 corporation doing business in the state which derives income from the  
12 production of oil or gas from a lease or property in [OR DIRECTLY  
13 ASSOCIATED WITH] the state, or from the pipeline transportation of oil  
14 or gas in the state. The tax calculated under this chapter is mea-  
15 sured by the total taxable income of the corporation as defined in AS  
16 43.21.020 -- 43.21.040 and is determined at the rates established  
17 under AS 43.20.011(e).

18 \* Sec. 2. AS 43.21.020(c)(7) is amended to read:

19 (7) interest expense of the corporation not capitalized  
20 during construction [OF THE CORPORATION], to the extent that it does  
21 not exceed that portion of the total interest paid by the consolidated  
22 business of which the corporation is a part, determined by multiplying  
23 the total interest (reduced by intercompany transactions within the  
24 consolidated business) by a fraction, the numerator of which is the  
25 value of the corporation's real and tangible personal property used  
26 directly in the production of oil or gas from a lease or property in  
27 the state and the denominator of which is the value of all real and  
28 tangible personal property of the consolidated business;

29 \* Sec. 3. AS 43.21.040 is amended to read:

1           Sec. 43.21.040. DETERMINATION OF INCOME FROM ACTIVITIES OTHER  
2 THAN OIL AND GAS PRODUCTION OR PIPELINE TRANSPORTATION. (a) Taxable  
3 income of a corporation subject to this chapter from activities in  
4 this state other than the production of oil or gas from a lease or  
5 property in the state or the pipeline transportation of oil or gas in  
6 the state shall be determined in accordance with the method estab-  
7 lished in art. IV of AS 43.19.010 and in AS 43.20.071, as modified by  
8 (b) -- (f) [(e)] of this section.

9           (b) The total taxable income of the consolidated business shall  
10 be the net income determined and certified by an independent certified  
11 public accountant for the purposes of a report to shareholders covering  
12 its earnings and profits for the taxable year (calculated without  
13 regard to any taxes on or measured by net income), less the earnings  
14 and profits of the consolidated business gained directly from oil and  
15 gas production and pipeline transportation [TAXABLE INCOME OF THE  
16 CORPORATION AS DETERMINED UNDER SECS. 20 AND 30 OF THIS CHAPTER].

17           (c) The numerator and denominator or the property factor, of the  
18 payroll factor and of the sales factor shall be calculated without  
19 reference to that portion of property, payroll or sales directly  
20 related to the production of oil or gas from a lease or property in  
21 the state or the pipeline transportation of oil or gas in the state.

22           (d) Compensation earned by employees of the consolidated busi-  
23 ness who are employed in the United States but not in any state shall  
24 be included in the numerator of the payroll factor if the employees  
25 are directly supplied from a base of operations maintained in this  
26 state.

27           (e) The value of oil or gas production facilities or other  
28 properties of the consolidated business which are located in the  
29 United States but not in any state shall be included in the numerator

1 of the property factor if the property is serviced or supplied from a  
2 base of operations maintained in the state or if that property relies  
3 on onshore facilities in this state for storage of the oil or gas  
4 produced.

5 (f) The value attributed to vessels transporting Alaskan oil or  
6 gas of the consolidated business which are not owned or effectively  
7 owned by the consolidated business shall be excluded from the property  
8 factor.

9 \* Sec. 4. AS 43.21.120(2) is amended to read:

10 (2) "consolidated business" means a corporation or group of  
11 corporations having more than [AT LEAST] 50 percent common ownership,  
12 direct or indirect, or a group of corporations in which there is  
13 common control either direct or indirect as evidenced by any arrange-  
14 ment, contract or agreement.

15 \* Sec. 5. Sections 1, 3 and 4 of the Act apply to income earned and  
16 deductions paid or incurred after December 31, 1977. Section 2 applies to  
17 income earned and deductions paid or incurred after December 31, 1979.

18 \* Sec. 6. This Act takes effect July 1, 1980.  
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STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

March 19, 1980

HB 963

The Honorable Terry Gardiner  
Speaker of the House  
Alaska State Legislature  
Pouch V  
Juneau, Alaska 99811

Dear Mr. Speaker:

Under Article III, Sec. 18, of the Alaska Constitution, I am transmitting a bill which would amend the Oil and Gas Corporate Income Tax Act (AS 43.21). The amendments proposed would clarify the intended scope of the act without resulting in a substantial revenue impact. The Department of Revenue, which administers the tax, has recommended these changes.

AS 43.21.010 now provides that the tax applies to income derived from oil or gas from property "in or directly associated with the state." (Emphasis added.) Section 1 of the bill would delete the emphasized words because they are superfluous. Currently, the act provides that production or pipeline income will be separately taxed only if such operations are conducted in Alaska, and a corporation's other Alaskan operations would be taxed on an apportioned basis only if it engages in production or pipeline operations within Alaska. The present act therefore precludes taxation of a corporation which operates only in the OCS. The proposed amendment would merely clarify the scope of the tax, without limiting the state's present ability to consider OCS factors in apportioning income to the state.

Section 2 of the bill would amend AS 43.21.020(c)(7) by clarifying which interest expense must be capitalized and which interest expense may be currently expensed and deducted in determining production income. The present provision allows interest expense not capitalized by the corporation to be directly expensed. However, recent modifications of accounting standards require that practically all interest expense be capitalized as part of the cost of major capital improvements. The proposal would allow all interest other than that required to be capitalized during the construction of a production facility to be expensed, which, I believe, reflects the original legislative intent much more closely. The revenue impact of this change would be relatively

unimportant in the near future, and would in any event defer rather than reduce taxes.

Section 3 of the bill proposes two changes in the calculation of apportionable "other" income taxes under AS 43.21.040. The amendments would reduce tax receipts by less than \$5 million a year.

The change in subsection (b) would modify the "pie" of worldwide income from which Alaska takes a "slice" under apportionment. The new "pie" would exclude all production and pipeline income, since similar income directly attributable to Alaskan activity is identified and separately allocated to the state in sections 20 and 30 of the act.

The second change proposed in section 3 would add a new subsection (f) to existing AS 43.21.040. That amendment would modify the formula used to determine the size of Alaska's "slice" of the worldwide "pie" by eliminating from the property factor vessels chartered from a third party. This would eliminate a relatively unique and entirely unforeseen inequity which results from the combination of separate accounting and apportionment principles. Again, this issue is of minor significance with regard to revenue impact and might serve to enhance our constitutional defense against charges of duplicative taxation. The third-party owner of the chartered vessel would, of course, be taxable itself under the Alaska Net Income Tax Act (AS 43.20).

Section 4 of the bill would modify the definition of "consolidated business." The change would avoid combining two large, entirely independent petroleum corporations simply because they operate a 50-50 joint venture in Alaska.

Finally, sections 5 and 6 provide for retroactive application to the beginning of tax year 1980 and set the effective date at July 1, 1980.

Sincerely,

Jay S. Hammond  
Governor

By: Terry Miller  
Lieutenant Governor

FISCAL NOTE

I. REQUEST HOUSE BILL NO. 963 # 1  
 Bill/Resolution No. \_\_\_\_\_  
 Title Amending Oil and Gas Corporate Income Tax  
 Requested by \_\_\_\_\_ Date \_\_\_\_\_

II. FISCAL DETAIL  
 Agency Affected Revenue  
 Program Category Affected General Government  
 BRU, Program, or Subprogram(s) Affected Petroleum Revenue  
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
200 TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
300 CONTRACTUAL	-0-	-0-	-0-	-0-	-0-	-0-
400 COMMODITIES	-0-	-0-	-0-	-0-	-0-	-0-
500 EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
700 GRANTS, CLAIMS, ETC.	-0-	-0-	-0-	-0-	-0-	-0-
<b>TOTAL</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>

FUNDING (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER (Specify Fund Source)	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS

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

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

This bill would not impact the operations or budget of the Division of Petroleum Revenue.

IV. DATE 2/20/80 PREPARED BY Robert M. Johnson  
 AGENCY Department of Revenue  
 PHONE 276-1363  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HOUSE BILL NO. 963 # 2  
 Title Amending Oil and Gas Corporate Income Tax  
 Requested by \_\_\_\_\_ Date \_\_\_\_\_

II. FISCAL DETAIL

Agency Affected Revenue  
 Program Category Affected General Government  
 BRU, Program, or Subprogram(s) Affected Petroleum Revenue  
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)  
EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
200 TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
300 CONTRACTUAL	-0-	-0-	-0-	-0-	-0-	-0-
400 COMMODITIES	-0-	-0-	-0-	-0-	-0-	-0-
500 EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
700 GRANTS, CLAIMS, ETC.	-0-	-0-	-0-	-0-	-0-	-0-
<b>TOTAL</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>

FUNDING (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER (Specify Fund Source)	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS

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

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

The bill would reduce tax receipts by around \$5 million per year, until such time as non-construction related interest is incurred. At that time a larger deduction will arise as that interest is currently expensed rather than capitalized. The revenue thus deferred would depend upon the facts of each case.

IV. DATE 2/20/80 PREPARED BY Robert M. Johnson  
 AGENCY Petroleum Revenue Division  
 PHONE 276-1363  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)



# RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

*James O Smith*  
Signature of Camera Operator

*3/20/90*  
Date

FISCAL NOTE

I. REQUEST  
 Bill/Resolution No. C.S. for H.B. 967  
 Title An Act relating to the Alaska Power Authority and approving gen. des  
 Requested by Resources Committee Date 4/9/80

II. FISCAL DETAIL  
 Agency Affected Department of Commerce & Economic Development  
 Program Category Affected Economic Development  
 BRU, Program, or Subprogram(s) Affected Alaska Power Authority  
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)  
EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES		-----				
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		-----				

FUNDING (Thousands of Dollars)

GENERAL FUND		-----				
FEDERAL FUNDS		-----				
OTHER (Specify Fund Source)		-----				

POSITIONS

FULL TIME		-----				
PART TIME		=====				
TEMPORARY		-----				

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

This Bill provides positive action by the Legislature which is necessary as a result of the Alaska Supreme Court decision in the A.L.I.V.E. Voluntary v. State case No. 2022, February 19, 1980. There is no impact associated with the Bill. However, additional comments have been provided relative to each project in conjunction with previous legislation. Fiscal impacts associated with state appropriations for loans for Lake Elva project were prepared for HB 721 and HB 722. State appropriations for loans for Lake Tye and Swan Lake are addressed in the Power Authority capital budget.

IV. DATE 4/9/80 PREPARED BY Terry J. McGuire  
 AGENCY Alaska Power Authority  
 Original: Legislative Finance PHONE 277-7641  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

**CATEGORY:** DEVELOPMENT

**PROGRAM:** ECONOMIC DEVELOPMENT

**AGENCY:** ALASKA POWER AUTHORITY

**BRU (s):** ALASKA POWER AUTHORITY

The goal of the Alaska Power Authority BRU is to promote, develop and advance the general prosperity and economic welfare of the people of Alaska by providing a means of constructing, acquiring, financing and operating power production facilities limited to fossil fuel, wind power, tidal, geothermal, hydroelectric, solar energy, and waste energy conservation facilities.

Due to the escalating costs of fossil fuels and Alaska's dependence on fossil fuels for electric generation, the emphasis of the Authority is to supplant this dependence with renewable sources of energy, principally hydroelectric power. Alaska's lakes and rivers provide numerous potentials for hydroelectric generation. However, many projects that could be economically feasible, when compared to life cycle costs of conventional fossil-fuel generation, cannot be financed. Excess capacity of the projects, which cannot be sold to other utilities for lack of a transmission grid, provides insufficient revenues to retire revenue bonds. To overcome this difficulty and to assure project development, the Authority seeks State assistance in the form of subordinated loans and guarantees of revenue bonds.

The Authority has been allocated \$4,760,000 in the FY 81 capital budget to investigate the feasibility of renewable sources of energy, particularly hydroelectric power, in several regions of the State. The most significant feasibility study is for the Upper Susitna River which was funded at \$8,178,000 in FY 80 and \$3,335,000 in FY 81. In addition, it is recommended that a subordinate loan of \$18,000,000 be funded for the Swan Lake project near Ketchikan.

COMPONENT DESCRIPTION	79 AUTH	79 FINAL	79 ACT	80 AUTH	80 SUPL	80 RP	GOVERNOR
ALASKA POWER AUTHORITY	470.4	513.0	487.9	347.7		12.6	332.1
** TOTAL	470.4	513.0	487.9	347.7		12.6	332.1
** CHANGE VERSUS 80 AUTH							-4.4%
OBJECT DESCRIPTION							
PERS. SERV.	152.3	126.5	122.3	160.4			184.2
TRAVEL	37.0	27.0	27.4	30.0			32.1
CONTRACTUAL	277.7	331.1	309.7	151.2		12.6	106.9
COMMODITIES	3.4	1.4	1.6	3.6			3.9
EQUIPMENT		2.0	1.9	2.5			5.0
GRANTS, CLMS		25.0	25.0				
FUNDING SOURCE							
GENERAL FUND	470.4	513.0	487.9	347.7			332.1
PGM RECEIPTS						12.6	
** GENERAL FUND CHANGE VS. 80 AUTH							-4.4%
POSITIONS							
FULL-TIME	5.0	5.0	5.0	5.0			5.0
STAFF MONTHS	60.0	60.0	60.0	60.0			60.0

Introduced: 3/21/80  
Referred: Resources and  
Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE

2 HOUSE BILL NO. 967

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the Alaska Power Authority and  
7 approving the general design and maximum amount of  
8 bonds for power projects; and providing for an effec-  
9 tive date."

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

11 \* Section 1. Actions taken by the legislature before the effective date  
12 of this Act to approve the general design and maximum amount of bonds for  
13 power projects are confirmed and the Alaska Power Authority is authorized to  
14 issue its bonds for the following power projects in the maximum principal  
15 amount set out after each:

- 16 (1) Solomon Gulch, \$20,000,000;  
17 (2) Terror Lake, \$120,000,000;  
18 (3) Golden Valley Electric Association waste heat, \$110,000,000;  
19 (4) Tye Lake, \$70,000,000;  
20 (5) Swan Lake, \$120,000,000;  
21 (6) Glacier Highway Electric Association, \$800,000;  
22 (7) Cordova Electric Cooperative, \$6,500,000;  
23 (8) Matanuska Electric Association, \$2,500,000;  
24 (9) Homer Electric Association, \$3,360,000; and  
25 (10) Naknek Electric Association, \$730,000.

26 \* Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-  
27 070(c).

Original sponsor: Rules Committee

Offered: 4/7/80  
Referred: Finance

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 CS FOR HOUSE BILL NO. 967

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the Alaska Power Authority and  
7 approving the general design and maximum amount of  
8 bonds for power projects; and providing for an effec-  
9 tive date."

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

11 \* Section 1. The Alaska Power Authority has submitted to the governor and  
12 the legislature a statement of its recommendations for financing certain  
13 power projects and a statement outlining the general design, demonstration of  
14 financial feasibility, and maximum amounts of revenue bonds and appropria-  
15 tions necessary for the projects, together with a statement of the design,  
16 acquisition, construction and financing of the projects by the authority or  
17 another person which satisfy the conditions of AS 44.56.180.

18 \* Sec. 2. The legislature has adopted joint resolutions approving the  
19 general design and maximum amount of bonds to be issued for several of the  
20 projects and those actions are confirmed.

21 \* Sec. 3. Actions taken by the legislature before the effective date of  
22 this Act to approve the general design and maximum amount of bonds for power  
23 projects are confirmed and the Alaska Power Authority is authorized to issue  
24 its bonds for the following power projects in the maximum principal amount  
25 set out after each:

26 (1) Solomon Gulch, \$20,000,000;

27 (2) Terror Lake, \$120,000,000.

28 \* Sec. 4. The general design and maximum amount of bonds for power  
29 projects are approved and the Alaska Power Authority is authorized to issue

1 its bonds for the following power projects in the maximum principal amount  
2 set out after each:

- 3 (1) Golden Valley Electric Association waste heat, \$110,000,000;
- 4 (2) Tye Lake, \$70,000,000;
- 5 (3) Swan Lake, \$120,000,000;
- 6 (4) Glacier Highway Electric Association, \$800,000;
- 7 (5) Cordova Electric Cooperative, \$6,500,000;
- 8 (6) Matanuska Electric Association, \$2,500,000;
- 9 (7) Homer Electric Association, \$3,360,000; and
- 10 (8) Naknek Electric Association, \$730,000; and
- 11 (9) Lake Elva, \$15,000,000.

12 \* Sec. 5. This Act takes effect immediately in accordance with AS 01.10.-  
13 070(c).

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(11)

# COMMITTEE REPORT

## HOUSE

4/7/80

FURTHER:

Date: \_\_\_\_\_

Mr. Speaker:

The Committee on FINANCE has had HB 967

"An Act relating to the Alaska Power Authority and approving the general design and maximum amount of bonds for power projects; and providing for an effective date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass  do not pass
- do pass with attached amendments(s)
- replace with CS for \_\_\_\_\_  same title
- and recommends \_\_\_\_\_  new title
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation
- referred to the \_\_\_\_\_ Committee

**MEMBERS SIGNING  
DO PASS**

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**MEMBERS HAVING  
OTHER RECOMMENDATIONS:**

\_\_\_\_\_

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\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
CHAIRMAN



8361  
Bernier

Original sponsor: Rules Committee

Offered: 4/7/80  
Referred: Finance

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 CS FOR HOUSE BILL NO. 967

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the Alaska Power Authority and  
7 approving the general design and maximum amount of  
8 bonds for power projects; and providing for an effec-  
9 tive date."

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

11 \* Section 1. The Alaska Power Authority has submitted to the governor and  
12 the legislature a statement of its recommendations for financing certain  
13 power projects and a statement outlining the general design, demonstration of  
14 financial feasibility, and maximum amounts of revenue bonds and appropria-  
15 tions necessary for the projects, together with a statement of the design,  
16 acquisition, construction and financing of the projects by the Authority or  
17 another person which satisfy the conditions of AS 44.56.180.

18 \* Sec. 2. The legislature has adopted joint resolutions approving the  
19 general design and maximum amount of bonds to be issued for several of the  
20 projects and those actions are confirmed.

21 \* Sec. 3. Actions taken by the legislature before the effective date of  
22 this Act to approve the general design and maximum amount of bonds for power  
23 projects are confirmed and the Alaska Power Authority is authorized to issue  
24 its bonds for the following power projects in the maximum principal amount  
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1 its bonds for the following power projects in the maximum principal amount  
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- 3 (1) Golden Valley Electric Association waste heat, \$110,000,000;
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- 5 (3) Swan Lake, \$120,000,000;
- 6 (4) Glacier Highway Electric Association, \$800,000;
- 7 (5) Cordova Electric Cooperative, \$6,500,000;
- 8 (6) Matanuska Electric Association, \$2,500,000;
- 9 (7) Homer Electric Association, \$3,360,000; and
- 10 (8) Naknek Electric Association, \$730,000; and
- 11 (9) Lake Elva, \$15,000,000.

12 \* Sec. 5. This Act takes effect immediately in accordance with AS 01.10.-  
13 070(c).

8361  
Berrier

Introduced: 3/21/80  
Referred: Resources and  
Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE

2 HOUSE BILL NO. 967

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the Alaska Power Authority and  
7 approving the general design and maximum amount of  
8 bonds for power projects; and providing for an effec-  
9 tive date."

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

11 \* Section 1. Actions taken by the legislature before the effective date  
12 of this Act to approve the general design and maximum amount of bonds for  
13 power projects are confirmed and the Alaska Power Authority is authorized to  
14 issue its bonds for the following power projects in the maximum principal  
15 amount set out after each:

16 (1) Solomon Gulch, \$20,000,000;

17 (2) Terror Lake, \$120,000,000;

18 (3) Golden Valley Electric Association waste heat, \$110,000,000;

19 (4) Tye Lake, \$70,000,000;

20 (5) Swan Lake, \$120,000,000;

21 (6) Glacier Highway Electric Association, \$800,000;

22 (7) Cordova Electric Cooperative, \$6,500,000;

23 (8) Matanuska Electric Association, \$2,500,000;

24 (9) Homer Electric Association, \$3,360,000; and

25 (10) Naknek Electric Association, \$730,000.

26 \* Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-  
27 070(c).

28  
29  
COMMITTEE COPY

ALASKA STATE LEGISLATURE

ELEVENTH Legislature SECOND Session

HOUSE BILL NO. 967

By THE RULES COMMITTEE

"An Act relating to the Alaska Power Authority and approving the general design and maximum amount of bonds for power projects; and providing for an effective date."

Alaska Power Authority

Introduced in the House 3/21, 1980

HISTORY IN THE HOUSE

19 80	Read first time and referred to Committee on										
Mar 21	<b>Resources and Finance</b>										
	Reported back with recommendation that										
	Read second time and										
	Read third time and										
	<table border="0"> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> </table>	PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused
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	<p>Reconsideration</p> <table border="0"> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> </table>	PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused
PASS	Effective Date										
Yeas	Yeas										
Nays	Nays										
Absent	Absent										
Excused	Excused										
	Reported correctly engrossed										
	Signed by Speaker										
	Sent to Senate										
	CHIEF CLERK OF THE HOUSE										

HISTORY IN THE SENATE

19	Read first time and referred to Committee on										
	Reported back with recommendation that										
	Read second time and										
	Read third time and										
	<table border="0"> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> </table>	PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused
PASS	Effective Date										
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Nays	Nays										
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Excused	Excused										
	<p>Reconsideration</p> <table border="0"> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> </table>	PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused
PASS	Effective Date										
Yeas	Yeas										
Nays	Nays										
Absent	Absent										
Excused	Excused										
	Reported correctly engrossed										
	Signed by President										
	Returned to House										
	SECRETARY OF THE SENATE										

HISTORY IN THE HOUSE

19	Received from Senate
	Concurred in Senate amendment thus adopting: VOTE
	Failed to concur in Senate amendment; asked Senate to recede VOTE
	Senate receded from amendment VOTE
	Senate failed to recede from amendment VOTE
	CC appointed by House
	CC appointed by Senate
	CC adopted by House VOTE
	CC adopted by Senate VOTE
	To enrolling Reported correctly enrolled Sent to Governor  ..... by Governor
	Filed with Lt. Governor
	Chapter No. ....



# RECORDS CERTIFICATION

I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James O Smith  
Signature of Camera Operator

3/20/90  
Date

Original sponsor: Rules Committee  
by request

Offered: 4/2/80  
Referred: Finance

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 CS FOR HOUSE BILL NO. 962

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act allowing credits against fisheries taxes; and  
7 providing for an effective date."

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

9 \* Section 1. AS 43.75 is amended by adding a new section to read:

10 Sec. 43.75.035. SEAFOOD ASSOCIATION CREDIT. (a) A person is  
11 allowed as a credit against the tax levied under AS 43.75.015 or 43.-  
12 75.100 an amount equal to the amount that person donated during the tax  
13 year to a corporation described in (b) of this section and included on  
14 the list prepared under (d) of this section. The credit allowed by this  
15 section may not exceed 15 percent of the total tax liability under  
16 AS 43.75.015 or 43.75.100 computed without the credit allowed in this  
17 section.

18 (b) A person is entitled to a credit under this section for the  
19 amount he donated during the tax year to a nonprofit corporation orga-  
20 nized under AS 10.20 which

21 (1) is organized for the purposes of

22 (A) assisting the Alaska seafood industry to improve the  
23 quality and purity of seafood produced in Alaska; and

24 (B) assisting in the development and maintenance of  
25 markets for seafood produced in Alaska;

26 (2) represents commercial fishermen and fish processors in  
27 each of the administrative areas established by the Alaska Commercial  
28 Fisheries Entry Commission under AS 16.43.100(a)(3);

29 (3) provides services for fishermen and processors of all

1 species of fish and their by-products which are harvested in Alaska and  
2 processed for human consumption;

3 (4) includes on its board of directors representatives of  
4 commercial fishermen and of fish processors;

5 (5) establishes quality control programs for the seafood  
6 harvested and processed in Alaska by the members of the corporation;

7 (6) prepares an annual market research and product develop-  
8 ment plan for the promotion of all species of fish and their by-products  
9 which are harvested in Alaska and processed for human consumption;

10 (7) submits an annual report to the governor and the legisla-  
11 ture describing its activities; and

12 (8) permits the commissioner of revenue or his designee to  
13 inspect its offices and its accounts to determine whether it meets the  
14 criteria described in this subsection.

15 (c) A donation to a corporation that has as its main purpose the  
16 promotion of or the development and maintenance of markets for a speci-  
17 fic brand of Alaska seafood may not be allowed as a credit under this  
18 section.

19 (d) By January 1 of each year the Department of Revenue shall  
20 prepare and make available to the public a list of corporations which  
21 meet the criteria in (b) of this section.

22 \* Sec. 2. This Act is retroactive to January 1, 1979, and applies to tax  
23 years beginning after December 31, 1978.

24 \* Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-  
25 070(c).

COMMITTEE REPORT  
SENATE

FURTHER: None

5/24/80

Date: 6/14/80

Mr. President:

The Committee on FINANCE has had CSHB 962 (Fin)  
allowing credits against fisheries taxes

under consideration and (a majority of the committee) (the committee)  
reports it back with the following recommendations:

- do pass  do not pass
- do pass with attached amendments(s)
- replace with CS for \_\_\_\_\_  same title  
 new title
- and recommends \_\_\_\_\_
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation *with amendment*
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

*H. Hansen*  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

*Brian Kay Do Not Pass*  
\_\_\_\_\_  
*Steve Haddock NO REC*  
*Hansen Do Not Pass*  
\_\_\_\_\_  
\_\_\_\_\_

*John Sedat*  
CHAIRMAN  
*Do Not Pass*

PROPOSED AMENDMENTS

TO: CSHB 962 (Finance)

By Gardiner

Page 1, lines 9 and 10:

Delete all material and insert the following:

\* Section 1. SEAFOOD ASSOCIATION CREDIT. (a) A person is

Page 3, line 3:

Delete all material

Page 3, line 4:

Delete "(b)" and insert "(e)"

Delete "this"

Page 3, line 5:

Delete "section" and insert "AS 43.75.130"

Page 3, line 6:

Delete "AS 43.75.035" and insert "this section"

Page 3, line 7:

Delete "Sec. 3." and insert "Sec. 2."

Page 3, line 19:

Delete "Sec. 4." and insert "Sec. 3."

Page 3, after line 20:

Insert the following new material:

"Sec. 4. This Act is repealed on January 1, <sup>1982</sup>~~1985~~.

STATE OF ALASKA  
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

POUCHY - STATE CAPITOL  
JUNEAU, ALASKA 99811  
907-465-3800

MEMORANDUM

April 11, 1980

SUBJECT: Salmon enhancement tax;  
Grants to regional aquaculture associations  
CSHB 969 and CSHB 970

TO: House Resources Committee  
Attn: Mary Levan, A.A.

FROM: Kenneth E. Vassar  
Legislative Counsel *KV*

Enclosed is the committee substitute you requested for House Bill 970. I believe the language added in section 2 of this bill violates that part of Article II, sec. 13 of the state Constitution which provides:

Bills for appropriations shall be confined to appropriations.

I talked with John Sund about this problem, and he suggested that the language in section 2 might be added instead to House Bill 969. Unfortunately, when I talked to him, I had already sent your committee substitute for House Bill 969 back to you; and when I was able to call you about it, the committee had already reported that bill out of committee. Moreover, the committee has also already reported House Bill 970 out with the changes included in section 2.

I would suggest that House Bill 970 should be returned to its original form and the following amendments made to Committee Substitute for House Bill 969:

Page 7, after line 18

Insert the following new material:

\* Sec. 6. A regional aquaculture association which receives money from an appropriation after April 1, 1980, shall return to the Department of Commerce and Economic Development, in the form and manner of payment

House Resources Committee  
Page 2  
April 11, 1980

acceptable to the commissioner of commerce and economic development, the difference between the money received by the regional aquaculture association and the amount of the salmon enhancement tax (AS 43.76.010) collected in the region in which the regional aquaculture association operates if the salmon enhancement tax is repealed before the amount collected in the region equals or exceeds the amount of the money received by the regional aquaculture association. Payments received by the Department of Commerce and Economic Development under this section shall be deposited in the general fund.

Page 7, line 19

Delete "\* Sec. 6" and insert "\* Sec. 7"

Page 7, line, 21

Delete "\* Sec. 7. Sections 1 - 4 and 7" and insert following:

"\* Sec. 8. Sections 1 - 4, 6 and 8"

Page 7, line 23

Delete "\* Sec. 8. Sections 5, 6 and 8" and insert the following:

"\* Sec. 9. Sections 5, 7 and 9"

Finally, there is a significant problem with the title of Committee Substitute for House Bill 969. It does not express the special effective dates of the bill. Therefore, the following change should be made at page 1, line 6:

After "enhancement" add "; and providing for an effective date"

KEV:ljb

Enclosure

# STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

## DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

POUCH K-STATE CAPITOL  
JUNEAU, ALASKA 99811

(907) 465-3685

April 16, 1980

The Honorable Terry Gardiner  
Alaska State Legislature  
House of Representatives  
Pouch V  
Juneau, Alaska 99811

Re: Constitutionality of HB 969  
Salmon Assessments  
Our file J-66-597-80

Dear Representative Gardiner:

You have asked for our comments on HB 969, relating to salmon fisheries enhancement. You requested our analysis both of the constitutionality of the bill as presently drafted, and in relation to Judge Compton's decision holding the old mandatory assessment program unconstitutional.

The present bill differs in every important respect from the mandatory assessment program. Judge Compton held that AS 16.05.530 is unconstitutional for the reasons that it is in fact a tax, and as a tax is improperly dedicated to a specific purpose; that the regional associations are not "service areas", and that the legislature may not delegate to either the associations or a commissioner the power to tax. As discussed in detail below, the present bill imposes a tax but does not dedicate it, makes no attempt to characterize regional aquaculture associations as service areas, and does not (with the suggestions below) improperly delegate the taxing power.

Dedication

Under the mandatory assessment program, an association voted to impose an assessment, the assessment was then collected from all the fishermen in the area by the processors, and returned directly to the regional associations. The disbursal to the associations was made without any act by the legislature. The present bill imposes a tax, to be levied on a regional basis only after certain conditions are met. One of the conditions is a vote by a majority of the limited entry permit holders in the salmon fisheries in the region. Once the tax is imposed, it is collected by the processors and forwarded to the Department of Revenue (for deposit in the general fund). This bill clearly imposes the tax for the purpose of providing a revenue source for funding the aquaculture associations; however, the language of the bill makes it clear that the legislature is making no attempt to bind future legislatures to take that action. While this legislature, if it passes the bill, is expressing an intent to return by appropriation the tax moneys collected, it also recognizes that this expression of intent does not guarantee that the funds will be treated in a like manner in the future. The tax is simply not dedicated.

Earlier drafts of this bill contained additional language under the section entitled "Collection of Tax and Disposition of Proceeds" (43.76.025) which specifically directed that the proceeds from the tax would be deposited

in the general fund. We can see no good reason for deleting this language, and recommend that it be included again.

While the bill as presently drafted certainly implies that the proceeds will be deposited in the general fund, specific language to that effect will strengthen the bill.

Delegation

The bill as drafted raises several delegation issues, none of which, in our opinion, is fatal to the bill (with the suggestions herein).

1. Tax on a condition. It might be argued that the provision allowing each association to vote on whether or not to impose the tax is an improper delegation to the association of the taxing power. However, the legislature here is doing the taxing, leaving only the imposition of the tax subject to the occurrence of some outside condition (i.e., the vote of the association). Legislation of this type is commonly upheld, and is not invalid simply because it is left to a vote of the persons affected to decide whether or not it should be imposed. The analysis of the relevant cases is that the legislature has the power to impose the tax without the consent of those affected, can impose it subject to whatever conditions it chooses, and thus can impose it subject to the condition that a majority of those affected approve it. See, Currin v. Wallace, 306 U.S. 1, 15, 16 (1938), U.S. v. Rock Royal Co-op, 307 U.S. 533, 577, 578 (1938). Similarly, the legislature has the power to limit

the duration of its legislation as it sees fit, and can likewise lift the imposition of the tax subject to a condition, here the vote of the association.

The other two conditions required before the imposition of the tax are in a sense delegated to the commissioner of fish and game: that the region be designated by him for the purpose of salmon production, and that there exist a regional association determined by him to be a qualified regional association. Delegations to executive departments are proper where sufficient standards are established, and in our opinion the standards set out in AS 16.10.375 and 16.10.380 are sufficient to make the delegation proper.

2. Reduction of tax. The bill as presently drafted provides that the tax may be reduced to a percentage less than three percent by several methods. The first two methods are discussed below, as they apply to termination; the third method is upon a majority vote by the association. This is the weakest section of the bill, for by leaving with the association the power to set the rate of the tax, a strong argument can be made that the association has been delegated the power to tax. The problem might be eliminated by including language which sets out precise standards for when an association could reduce the tax, and to what percentage,

but these standards might be difficult to draft.

It is our understanding that the objective of the reduction provision is to allow an association to set the rate at two percent, that is, that only two alternatives are contemplated: two percent or three percent. In fact, the old mandatory assessment section was amended to read that the assessment could be either two percent or three percent. As a practical matter, it is understood that the Cook Inlet Regional Association would choose to participate in a two percent tax, as that was the rate of the assessment in that region. As such, a cleaner method for removing the delegation problem would be to add another section to the bill which imposes a two percent tax, subject to the same conditions required for the three percent tax, and allow an association to elect to impose one tax or the other. Thus, an association can by election fulfill the condition of either the two percent tax or the three percent tax. The provisions for reduction of the tax should then be deleted.

3. Termination of tax. As noted briefly above, the same analysis that permits the imposition of the tax on a condition also permits the termination on a condition. The legislature has the power to enact a tax for a limited duration; it can condition that duration on the occurrence of an outside event. Thus, a vote by an association to terminate the tax is not an improper delegation.

However, the bill as presently drafted provides two additional methods for termination: upon the recommendation of the commissioner of commerce, and upon request of the association board of directors. While the second method might arguably be just as proper as a vote by the entire association, the first is probably an improper delegation to the commissioner of commerce, as there are no standards set out delineating when he should exercise that power. It is our understanding that a redraft of the bill is presently being prepared which eliminates these two provisions, and the bill will be better without them.

Service areas.

HB 969 does not designate regional aquaculture associations as service areas, and none of the problems that Judge Compton found with the mandatory assessment program in that area can arise.

Other problems.

The election procedures set out in proposed sec. 43.-76.015 of the bill call for voting at one of two public meetings or by mail. As written, the procedures are confusing, and we recommend that this section be redrafted.

Finally, \* Sec. 8 of the bill has the effect of repealing the tax imposed should the mandatory assessment provision (AS 16.10.530) be held constitutional by the Alaska Supreme Court. The original bill required that the holding be "as applied before July 13, 1979". CS for HB 969 now reads

The Hon. Terry Gardiner

April 16, 1980  
Page 7


that the holding be that "AS 16.10.530 does not violate the Constitution". Conceivably, the court might hold that AS 16.10.530 is constitutional, but not as previously applied. Under the committee substitute, then, the tax would be repealed but the old program could not be reinstated, and the association would be left without a source of funds.

Attached is a copy of the bill which incorporates our suggestions, with the exception of those referred to under "Other problems".

Sincerely,

AVRUM M. GROSS  
ATTORNEY GENERAL

By:

  
Deborah Vogt  
Assistant Attorney General

DV:dlm

Attachment

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

HB 969

I. REQUEST

Bill/Resolution No. House Bill No. 969  
 Title An Act relating to salmon fisheries enhancement.  
 Requested by House Resources & Finance Committees Date 3/26/80

II. FISCAL DETAIL

Agency Affected Revenue  
 Program Category Affected Fiscal Services  
 BRU, Program, or Subprogram(s) Affected Audit Division

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES		72.7	72.7	72.7	72.7	72.7
200 TRAVEL		5.5	5.5	5.5	5.5	5.5
300 CONTRACTUAL		9.5	9.5	9.5	9.5	9.5
400 COMMODITIES		1.4	1.4	1.4	1.4	1.4
500 EQUIPMENT		3.6	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>		<b>92.7</b>	<b>89.1</b>	<b>89.1</b>	<b>89.1</b>	<b>89.1</b>

FUNDING (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
GENERAL FUND		92.7	89.1	89.1	89.1	89.1
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
FULL TIME		3	3	3	3	3
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

See attached memorandum to R. D. Stevenson dated 3/26/80.

IV. DATE March 26, 1980 PREPARED BY *Ray Jenkins*  
 AGENCY Department of Revenue, Audit Division  
 PHONE 465-2320  
 Original: Legislative Finance  
 cc: Budget and Management  
Prime Sponsor (First Legislator Named)

# AGENCY: REVENUE

All Department of Revenue BRU's in the Revenue Collection and Management cover program are included herein. A major emphasis on identifying the "invisible taxpayer" is planned in the FY 81 budget, primarily in the BRUs of Audit, Enforcement, and Administration and Support.

The goals of the Audit BRU are to achieve effective compliance by taxpayers with the tax laws of Alaska, and to raise revenues through an effective audit program. The Revenue Audit staff concentrates on corporate and individual income tax, estate taxes, excise taxes, business license tax, fisheries tax, mining license tax, and the issuance of permits for games or skill or chance.

The goal of the Enforcement BRU is to enforce the collection of taxes from all taxpayers in a fair and equitable manner. The Division is responsible for billing and collecting all delinquent tax accounts.

The Administration and Support BRU includes the Office of the Commissioner, Administrative Services, and Fish and Game Licensing. The Commissioner's Office oversees all functions of the Department of Revenue. The Research Section, under the Office of the Commissioner, performs special studies in analyzing and developing revenue sources, as well as projecting State cash flow through revenue estimating models and information provided by State agencies. The Administrative Services component provides centralized general services for the Department of Revenue, including personnel, budget, payroll, purchasing, mail, etc. This section also provides certain technical services such as administering business licenses, processing tax and license remittances, and initial processing of tax returns. The Fish and Game Licensing component is being transferred to this BRU from the Natural Resources category for FY 81. This component processes revenues received from the sales of Fish and Game licenses statewide. Most of the licenses are sold by contract vendors such as sporting goods stores.

## STATE OF ALASKA -- BUDGET UNIT SUMMARY

CATEGORY: GENERAL DEVELOPMENT  
 AGENCY: DEPARTMENT OF REVENUE

PROGRAM: REVENUE OPERATIONS

	1630.0	7307.7	7170.3	6698.0
FISH AND GAME LICENSING	572.1	580.6	531.6	259.0
** TOTAL	6737.4	7307.7	7170.3	6698.0

\*\* GENERAL FUND CHANGE VS. 80 AUTH

22.6%

POSITIONS

FULL-TIME	173.0	173.0	173.0	179.0	191.0
PART-TIME	8.0	8.0	8.0	8.0	21.0
TEMPORARY	14.0	14.0	14.0	13.0	

STATE  
of ALASKA

## MEMORANDUM

TO:  R. D. Stevenson  
Special Assistant  
Department of Revenue

DATE: March 26, 1980

FILE NO:

TELEPHONE NO:

FROM: Gary L. Jenkins  
Director  
Audit Division

SUBJECT: House Bill No. 969

This bill would establish a salmon enhancement tax at 3 percent of the value of salmon sold to a processor. The processor will be charged with collecting tax at the time of purchase. There is one potential significant enforcement problem in that the legislation does not define how the value of the salmon is to be determined for purposes of the tax. It is recommended that the bill be amended to provide for the determination of value.

It is anticipated that there will be approximately 220 processors to process salmon. Each processor will be required to file a return on a monthly basis. To handle the initial review and processing functions, we will need two permanent full time Tax Examiner positions. To accomplish the audit functions, we will require the addition of one Revenue Auditor position.

The proposed Section 43.76.025(b) provides that the processor collecting the tax shall maintain records reflecting the location of the catch of the fishery resource. However, nowhere else in the proposed law is there any indication of what the processor is to do with this information. Is it intended that the monthly return to the Department of Revenue should account for the catch by location, or is the processor to send some type of report to the Department of Commerce and Economic Development? It is recommended that this subsection be modified to clearly state the intent with regard to this information.

1	POSITION TITLE Tax Examiner I			RANGE/STEP 10 A	BARG. UNIT. G	LOCATION	GOV	APPROV.	DISAPP.					
2	TYPE OF POSITION PFT	STAFF MONTHS 12	RP No.	PCN No.	PRIORITY	FORM 12 PAGE/LINE	LEG							
3	TYPE OF EXPENDITURE			AMOUNT		JUSTIFICATION:								
	1	2	3											
4	PERSONAL SERVICES: SALARY		17,004		It is anticipated that there will be approximately 220 processors to process salmon and each processor will be required to file a return on a monthly basis. To handle the initial review and processing functions we will need two permanent full time Tax Examiner positions.									
5	BENEFITS		2,528											
6	FICA		1,131											
7	HEALTH INS.		1,524											
8	TOTAL PERSONAL SERVICES		22,187											
9	TRAVLL													
10	CONTRACTUAL		3,160											
11	COMMODITIES		450											
12	EQUIPMENT		1,200											
13	OTHER													
14	TOTAL COST		26,997											
15	CODE	FUNDING SOURCE												
16		FED RCPTS.												
17		GF MATCH.												
18		GEN. FUND		26,997										
19		I-A RCPTS.												
20		PGM RCPTS												
21		OTHER												
21	CONTINUATION													
22	ADDITION		X		FOR B&M USE ONLY									
4A KEY NUMBER _____ COLUMN NO. _____														

AGENCY Department of Revenue PROGRAM AREA Revenue Collection & Management

BRU Audit Division

FY 81

**13** REQUEST FOR NEW POSITION.

COMPONENT \_\_\_\_\_

Page 1 of 3

REVISED DATE \_\_\_\_\_

1	POSITION TITLE Tax Examiner I				RANGE/STEP 10 A	BARG. UNIT. G	LOCATION	GOV	APPROV.	DISAPP.
2	TYPE OF POSITION PFT	STAFF MONTHS 12	RP No.	PCN No.	PRIORITY	FORM 12	PAGE/LINE	LEG		

3	TYPE OF EXPENDITURE	AMOUNT
	1	2
4	PERSONAL SERVICES: SALARY	17,004
5	BENEFITS	2,528
6	FICA	1,131
7	HEALTH INS.	1,524
8	TOTAL PERSONAL SERVICES	22,187
9	TRAVEL	
10	CONTRACTUAL	3,160
11	COMMODITIES	450
12	EQUIPMENT	1,200
13	OTHER	
14	TOTAL COST	26,997

JUSTIFICATION:

It is anticipated that there will be approximately 220 processors to process salmon and each processor will be required to file a return on a monthly basis. To handle the initial review and processing functions we will need two permanent full time Tax Examiner positions.

	CODE	FUNDING SOURCE
15		FED RCPTS.
16		GF MATCH.
17		GEN. FUND
18		I-A RCPTS.
19		PGM RCPTS
20		OTHER

21 CONTINUATION

22 ADDITION  FOR B&M USE ONLY

4A KEY NUMBER \_\_\_\_\_ COLUMN NO. \_\_\_\_\_

AGENCY Department of Revenue PROGRAM AREA Revenue Collection & Management

BRU Audit Division

FY 81

**13** REQUEST FOR NEW POSITION.

COMPONENT \_\_\_\_\_

Page 2 of 3

REVISED DATE \_\_\_\_\_

1	POSITION TITLE Revenue Auditor I			RANGE/STEP 14 A	BARG. UNIT. G	LOCATION	GOV	APPROV	DISAPP					
2	TYPE OF POSITION PFT	STAFF MONTHS 12	RP No.	PCN No.	PRIORITY	FORM 12 PAGE/LINE	LEG							
3	TYPE OF EXPENDITURE			AMOUNT		JUSTIFICATION:								
	1	2	3											
4	PERSONAL SERVICES: SALARY		22,089		It is anticipated that there will be approximately 220 processors to process salmon and each processor will be required to file a return on a monthly basis. To accomplish the audit functions, we will require the addition of one Revenue Auditor I position.									
5	BENEFITS		3,285											
6	FICA		1,469											
7	HEALTH INS.		1,524											
8	TOTAL PERSONAL SERVICES		28,367											
9	TRAVEL		5,500											
10	CONTRACTUAL		3,160											
11	COMMODITIES		450											
12	EQUIPMENT		1,200											
13	OTHER													
14	TOTAL COST		38,677											
	CODE	FUNDING SOURCE												
15		FED RCPTS.												
16		GF MATCH.												
17		GEN. FUND		38,677										
18		I-A RCPTS.												
19		PGM RCPTS												
20		OTHER												
21	CONTINUATION			FOR B&M USE ONLY										
22	ADDITION	X												
4A	KEY NUMBER			COLUMN NO.										

AGENCY Department of Revenue PROGRAM AREA Revenue Collection & Management

BRU Audit Division

FY 81

**13** REQUEST FOR NEW  
POSITION.

COMPONENT \_\_\_\_\_

Page 3 of 3

REVISED  
DATE \_\_\_\_\_

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. H B 969

Title An act relating to salmon fisheries enhancement

Requested by \_\_\_\_\_ Date 3-28-80

II. FISCAL DETAIL

Agency Affected \_\_\_\_\_

Program Category Affected \_\_\_\_\_

BRU, Program, or Subprogram(s) Affected \_\_\_\_\_

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						

TOTAL

FUNDING (Millions of Dollars)

GENERAL FUND	-0-	-----approximately 1.5 annually-----				
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

The bill proposes a salmon enhancement tax at 3 percent of the value of salmon sold by a limited entry permit holder to a licensed processor. The tax is to be levied in areas where a qualified regional aquaculture association receives approval for such levy by the majority of the qualified permit holders in the area. The tax can be reduced or terminated by the Commissioner of Revenue upon recommendation of the Commissioner of Commerce and Economic Development and the regional association.

The above estimate is for those regional associations only which did levy mandatory assessments until the assessments were declared invalid by the courts. The estimate is based on data obtained from those regional associations, and some catch and value statistics from the Department of Fish and Game. It is assumed that collections will not be submitted until July 1, 1980

(continued)

IV. DATE 3/29/80

PREPARED BY Barbara Loren

AGENCY REVENUE

PHONE 2174

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

# AGENCY: REVENUE

All Department of Revenue BRU's in the Revenue Collection and Management cover program are included herein. A major emphasis on identifying the "invisible taxpayer" is planned in the FY 81 budget, primarily in the BRUs of Audit, Enforcement, and Administration and Support.

The goals of the Audit BRU are to achieve effective compliance by taxpayers with the tax laws of Alaska, and to raise revenues through an effective audit program. The Revenue Audit staff concentrates on corporate and individual income tax, estate taxes, excise taxes, business license tax, fisheries tax, mining license tax, and the issuance of permits for games or skill or chance.

The goal of the Enforcement BRU is to enforce the collection of taxes from all taxpayers in a fair and equitable manner. The Division is responsible for billing and collecting all delinquent tax accounts.

The Administration and Support BRU includes the Office of the Commissioner, Administrative Services, and Fish and Game Licensing. The Commissioner's Office oversees all functions of the Department of Revenue. The Research Section, under the Office of the Commissioner, performs special studies in analyzing and developing revenue sources, as well as projecting State cash flow through revenue estimating models and information provided by State agencies. The Administrative Services component provides centralized general services for the Department of Revenue, including personnel, budget, payroll, purchasing, mail, etc. This section also provides certain technical services such as administering business licenses, processing tax and license remittances, and initial processing of tax returns. The Fish and Game Licensing component is being transferred to this BRU from the Natural Resources category for FY 81. This component processes revenues received from the sales of Fish and Game licenses statewide. Most of the licenses are sold by contract vendors such as sporting goods stores.

## STATE OF ALASKA -- BUDGET UNIT SUMMARY

CATEGORY: GENERAL DEVELOPMENT  
AGENCY: DEPARTMENT OF REVENUE

PROGRAM: REVENUE OPERATIONS

COMPONENT DESCRIPTION	79 AUTH	79 FINAL	79 ACT	80 AUTH	80 SUPL	80 RP	GOVERNOR
AUDIT	2461.5	2530.6	2513.1	2691.6			3223.6
ENFORCEMENT	1196.5	1335.4	1324.7	1217.0			1366.3
OFFICE OF THE COMMISSIONER	877.3	1077.4	1054.4	757.6			964.5
ADMINISTRATIVE SERVICES	1630.0	1783.7	1746.5	1773.6			2361.4
FISH AND GAME LICENSING	572.1	580.6	531.6	259.0			298.0
** TOTAL	6737.4	7307.7	7170.3	6698.0			8213.8
** CHANGES VERSUS 80 AUTH							22.6%
FUNDING SOURCE							
GENERAL FUND	6429.4	7067.7	6952.8	6698.0			8213.8
PGM RECEIPTS	308.0	240.0	217.5				
** GENERAL FUND CHANGE VS. 80 AUTH							22.6%
POSITIONS							
FULL-TIME	173.0	173.0	173.0	179.0			191.0
PART-TIME	8.0	8.0	8.0	8.0			21.0
TEMPORARY	14.0	14.0	14.0	13.0			

## ANALYSIS

There are three more regional associations in the State which would qualify for the proposed levy. Potential collections in those areas are not included in the above estimate.

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST  
 Bill/Resolution No. CS HB 969  
 Title An act relating to salmon fisheries enhancement  
 Requested by House Finance Date 4-11-80

II. FISCAL DETAIL  
 Agency Affected \_\_\_\_\_  
 Program Category Affected \_\_\_\_\_  
 BRU, Program, or Subprogram(s) Affected \_\_\_\_\_  
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>						

FUNDING (Thousands of Dollars)

GENERAL FUND	-0-	-----approximately 1.5 annually-----				
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

The bill proposes a salmon enhancement tax at 3 percent of the value of salmon sold by a limited entry permit holder to a licensed processor. The tax is to be levied in areas where a qualified regional aquaculture association receives approval for such levy by the majority of the qualified permit holders in the area. The tax can be reduced or terminated by the Commissioner of Revenue upon recommendation of the Commissioner of Commerce and Economic Development and the regional association.

The above estimate is for those regional associations only which did levy mandatory assessments until the assessments were declared invalid by the courts. The estimate is based on data obtained from those regional associations, and some catch and value statistics from the Department of Fish and Game. It is assumed that collections will not be submitted until July 1, 1980.

(continued)

IV. DATE 4/11/80 PREPARED BY Barbara Sorenson  
 AGENCY REVENUE  
 PHONE \*2174  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

ANALYSIS

There are three more regional associations in the State which would qualify for the proposed levy. Potential collections in those areas are not included in the above estimate.

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST  
 Bill/Resolution No. CS HB 969 (Finance)  
 Title "An act relating to salmon fisheries enhancement"  
 Requested by \_\_\_\_\_ Date \_\_\_\_\_

II. FISCAL DETAIL  
 Agency Affected Commerce & Economic Development  
 Program Category Affected Development  
 BRU, Program, or Subprogram(s) Affected Division of Business Loans  
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)  
EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						
	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

IV. DATE 4/29/80 PREPARED BY *David J. [Signature]*  
 AGENCY Div. of Business Loans/Commerce & Econ. Devel.  
 PHONE 465-2510  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST  
 Bill/Resolution No. CS for House Bill No. 969 (Page 1 of 4)  
 Title An Act relating to salmon fisheries enhancement  
 Requested by House Finance Committee Date 4/24/80

II. FISCAL DETAIL  
 Agency Affected \_\_\_\_\_ Revenue \_\_\_\_\_  
 Program Category Affected \_\_\_\_\_  
 BRU, Program, or Sub-program(s) Affected \_\_\_\_\_  
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES		72.7	72.7	72.7	72.7	72.7
200 TRAVEL		5.5	5.5	5.5	5.5	5.5
300 CONTRACTUAL		9.5	9.5	9.5	9.5	9.5
400 COMMODITIES		1.4	1.4	1.4	1.4	1.4
500 EQUIPMENT		3.6	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>		<b>92.7</b>	<b>89.1</b>	<b>89.1</b>	<b>89.1</b>	<b>89.1</b>

FUNDING (Thousands of Dollars)

GENERAL FUND		92.7	89.1	89.1	89.1	89.1
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		3	3	3	3	3
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

See attached memorandum to R. D. Stevenson dated 4/24/80.

IV. DATE April 24, 1980 PREPARED BY [Signature]  
 AGENCY Department of Revenue, Audit Division  
 Original: Legislative Finance PHONE 465-2320  
 cc: Budget and Management  
Prime Sponsor (First Legislator Named)

# MEMORANDUM

State of Alaska

TO: R. D. Stevenson  
Special Assistant  
Department of Revenue

DATE: April 24, 1980

FILE NO:

Page 2 of 4

TELEPHONE NO:

FROM: Gary L. Jenkins  
Director  
Audit Division

SUBJECT: CS for HB No. 969

The Committee Substitute for House Bill No. 969 made one minor change in the original bill; however, there were no changes made in the areas which we mentioned in our original analysis.

This bill would establish a salmon enhancement tax at 3 percent of the value of salmon sold to a processor. The processor will be charged with collecting tax at the time of purchase. It is anticipated that there will be approximately 220 processors to process salmon. Each processor will be required to file a return on a monthly basis. To handle the initial review and processing functions, we will need two permanent full time Tax Examiner positions. To accomplish the audit functions, we will require the addition of one Revenue Auditor position.

There is one potential significant enforcement problem in that the legislation does not define how the value of the salmon is to be determined for purposes of the tax. It is recommended that the bill be amended to provide for the determination of value.

The proposed Section 43.76.025(b) provides that the processor collecting the tax shall maintain records reflecting the location of the catch of the fishery resource. However, nowhere else in the proposed law is there any indication of what the processor is to do with this information. Is it intended that the monthly return to the Department of Revenue should account for the catch by location, or is the processor to send some type of report to the Department of Commerce and Economic Development? It is recommended that this subsection be modified to clearly state the intent with regard to this information.

It should also be noted that there is no provision for the imposition of this 3 percent tax in the case where someone other than a salmon processor acquires salmon which is subsequently flown or in some other manner transported out of the State for subsequent sale or processing. The Legislature may want to consider establishing a provision such as AS 43.75.100 which places the tax on the person removing the fish resource from the State without it being subject to any taxation.

1	POSITION TITLE <b>Tax Examiner I</b>			RANGE/STEP <b>10 A</b>	BARG. UNIT. <b>G</b>	LOCATION	GOV	APPROV	DISAPP					
2	TYPE OF POSITION <b>PFT</b>	STAFF MONTHS <b>12</b>	RP No.	PCN No.	PRIORITY	FORM 12	PAGE/LINE	LEG.						
3	TYPE OF EXPENDITURE			AMOUNT		JUSTIFICATION:								
	1	2	3											
4	PERSONAL SERVICES: SALARY		17,004		It is anticipated that there will be approximately 220 processors to process salmon and each processor will be required to file a return on a monthly basis. To handle the initial review and processing functions we will need two permanent full time Tax Examiner positions.									
5	BENEFITS		2,528											
6	FICA		1,131											
7	HEALTH INS.		1,524											
8	TOTAL PERSONAL SERVICES		22,187											
9	TRAVEL													
10	CONTRACTUAL		3,160											
11	COMMODITIES		450											
12	EQUIPMENT		1,200											
13	OTHER													
14	TOTAL COST		26,997											
15	CODE	FUNDING SOURCE												
16		FED RCPTS.												
17		GF MATCH.												
18		GEN. FUND		26,997										
19		I-A RCPTS												
20		PGM RCPTS												
21		OTHER												
22	CONTINUATION													
23	ADDITION	X		FOR B&M USE ONLY										
24	KEY NUMBER			COLUMN NO.										

AGENCY Department of Revenue PROGRAM AREA Revenue Collection & Management

BRU Audit Division

FY 81

**13** REQUEST FOR NEW POSITION.

COMPONENT \_\_\_\_\_

Page \_\_\_\_\_ of \_\_\_\_\_

REVISED DATE \_\_\_\_\_

1	POSITION TITLE Revenue Auditor I			RANGE/STEP 14 A	BARG. UI IT. G	LOCATION	GOV	APPROV	DISAPP
2	TYPE OF POSITION PFT	STAFF MONTHS 12	RP No.	PCN No.	PRIORITY	FORM 12	PAGE/LINE	LEG	
3	TYPE OF EXPENDITURE			AMOUNT					
	1			2		3			
4	PERSONAL SERVICES: SALARY			22,089					
5	BENEFITS			3,285					
6	FICA			1,469					
7	HEALTH INS.			1,524					
8	TOTAL PERSONAL SERVICES			28,367					
9	TRAVEL			5,500					
10	CONTRACTUAL			3,160					
11	COMMODITIES			450					
12	EQUIPMENT			1,200					
13	OTHER								
14	TOTAL COST			38,677					
JUSTIFICATION									
It is anticipated that there will be approximately 220 processors to process salmon and each processor will be required to file a return on a monthly basis. To accomplish the audit functions, we will require the addition of one Revenue Auditor I position.									
	CODE	FUNDING SOURCE							
15		FED RCPTS.							
16		GF MATCH.							
17		GEN. FUND			38,677				
18		I-A RCPTS							
19		PGM RCPTS							
20		OTHER							
21	CONTINUATION								
22	ADDITION	X	FOR B&M USE ONLY						
4A KEY NUMBER _____ COLUMN NO _____									

AGENCY Department of Revenue PROGRAM AREA Revenue Collection & Management

DRU Audit Division

FY 81

**13** REQUEST FOR NEW POSITION.

COMPONENT \_\_\_\_\_

Page \_\_\_\_\_ of \_\_\_\_\_

REVISED DATE \_\_\_\_\_

Support ltr

H10767  
B

April 20, 1980

DO NOT PASS HB969 nor HB970!!!!!!!!!!!!

Senator John Sackett  
Juneau, Alaska 99811

Dear Senator,

For three years, the ORGANIZATION FOR UPPER LYNN CANAL FISHERMEN (OLCF) has resisted NMAA as controlling factor over Upper Lynn Canal Fisheries. The Commissioner of ADW's handed the Upper Lynn Canal area to us under NMAA control on June 15, 1977. To vote of local fishermen. OLCF organized in November of 1977 to get out of NMAA. In December of 1977, OLCF petitioned the Commissioner of ADW's, the Governor and NMAA to release this area from NMAA. No results. In March of 1978, OLCF mailed out poll cards to all fishing vessels. 90% of names indicated that they did not want to be controlled by only two regional boards. The regional private organizations taking fishermen. In February of 1979, another poll was mailed to all fishing vessels. 90% wanted out of NMAA. 90% wanted local control. The Board approved Special Ballots of October, 1979 indicated that only 20% of fishermen approved regional aquaculture associations. Then, in March of 1980, OLCF submitted a proposal to our Legislators, the Attorney General, Commissioner ADW's and the FRED Division for enhancement and management of Upper Lynn Canal hoping that supportive legislation would evolve to effect this and release Upper Lynn Canal from the NMAA. Representative Jim Linn has a copy of article.

Do not pass HB969 nor HB970.

*Thomas E. Sackett*

cc: All Legislators  
FIRs

OLCF  
ADW's

Both in H FIV 4-9-80  
HB 969 Lower Co Enhancement  
HB 970 Reg in Aquaculture Assoc.