

ALASKA LEGISLATURE COMMITTEE BILL FILES - 1987 - 1988 8879

HB 473 thru HD 493 383

HB

473

(11)

Date referred: 3/17/88

FURTHER REFERRALS:

DATE: 3/22/88

The Finance Committee has considered HB 473

"An Act amending the composition and membership of the Correctional Industries Commission; and providing for an effective date."

RECOMMENDS:

- replace with _____ the same title
- attached amendment(s) a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):

- fiscal impact same as previous fiscal note published _____
- zero fiscal note
- zero with analysis same as previous zero fiscal note published 3/4/88

SIGNING DO PASS:

SIGNING OTHER RECOMMENDATIONS:

POURCHOT [Signature]

LARSON [Signature]

SWACK-HAMMER [Signature]

BOYER [Signature]

RIEGER [Signature]

FRANK [Signature]

ADAMS [Signature] - No Rec

BEARD [Signature] - No Rec

DAVIS [Signature] NO REC

[Signature]
Chairman's signature

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: "An Act amending the composition and membership."
Sponsor: Rep Swackhammer
Requestor: Gruenberg and Bover

Agency Affected: Department of Corrections
BRU: _____
Components: Correctional Industries - Production Cost

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

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

POSITIONS:

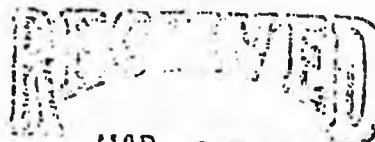
FULL-TIME						
PART-TIME						
TEMPORARY	-0-	-0-	-0-	-0-	-0-	-0-

ANALYSIS : (Attach a separate page if necessary)

The travel and per diem costs associated with adding a member to the Correctional Industries Commission will be funded through the Correctional Industries Revolving Fund.

Susan E. Knighton
Prepared by: Susan E. Knighton, Director Phone: 465-3376
Division: Administrative Services Date: 2-26-88
Susan Humphrey-Barnett
Approved by Commissioner: Susan Humphrey-Barnett Date: 2-26-88
Agency: Department of Corrections

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



MAR 2 1988

1 IN THE HOUSE

BY SWACKHAMMER, GRUENBERG
AND BOYER

2

HOUSE BILL NO. 473

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act amending the composition and membership of

7

the Correctional Industries Commission; and providing

8

for an effective date."

9

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

10

* Section 1. AS 33.32.070(a) is amended to read:

11

(a) The Correctional Industries Commission is established to

12

provide general policy direction to the correctional industries pro-

13

gram through the commissioner of corrections. The commission consists

14

of eight [SEVEN] members, six [FIVE] of whom are to be appointed by

15

the governor to serve staggered terms of four years. The appointed

16

members must include one [A] representative each from [OF] private

17

industry, [ORGANIZED LABOR,] agriculture, and the general public; [,

18

AND] one ex-offender; and two representatives from organized labor,

19

one of whom shall be from the building trades and one of whom shall be

20

from the service industries. The commissioner of administration is

21

also a member, as is the commissioner of corrections who is to serve

22

as chairperson.

23

* Sec. 2. AS 33.32.070(b) is amended to read:

24

(b) The Correctional Industries Commission shall meet at least

25

four times during each fiscal year and may hold additional meetings at

26

the call of the chairperson. Five [FOUR] members of the Correctional

27

Industries Commission constitute a quorum and a vote of a majority of

28

the quorum is necessary for the transaction of the business of the

29

commission.

1 * Sec. 3. TERM OF OFFICE OF EXISTING ORGANIZED LABOR REPRESENTATIVE.

2 (a) Notwithstanding AS 33.32.070(a), as amended by sec. 1 of this Act, the
3 representative of organized labor serving on the Correctional Industries
4 Commission on the effective date of this Act may continue to serve for the
5 duration of the term to which the person was appointed.

6 (b) As soon as practicable after the effective date of this Act, the
7 governor shall specify whether the representative of organized labor serv-
8 ing on the Correctional Industries Commission under (a) of this section on
9 the effective date of this Act is appointed from the building trades or
10 from the service industries.

11 * Sec. 4. TERM OF OFFICE OF NEW LABOR REPRESENTATIVE. (a) After
12 making the designation required by sec. 3(b) of this Act, the governor
13 shall appoint the second labor representative authorized by AS 33.32.-
14 070(a), as amended by sec. 1 of this Act.

15 (b) Notwithstanding the requirement of a four-year term of office set
16 out in AS 33.32.070, the governor shall specify the term of the labor
17 representative appointed under (a) of this section, but the term may not
18 extend beyond June 30, 1991.

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

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: "An Act amending the composition and membership."
Sponsor: Rep Swackhammer
Requestor: Gruenberg and Boyer

Agency Affected: Department of Corrections
BRU: _____
Components: Correctional Industries - Production Cost

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

The travel and per diem costs associated with adding a member to the Correctional Industries Commission will be funded through the Correctional Industries Revolving Fund.

Prepared by: Susan E. Knighton, Director Phone: 465-3376
Division: Administrative Services Date: 2-26-88
Approved by Commissioner: Susan Humphrey-Barnett Date: 2-26-88
Agency: Department of Corrections

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

RECEIVED
MAR 2 1988

H.B. 473

REPRESENTATIVE
C.E. "SWACK" SWACKHAMMER

Alaska State Legislature



House of Representatives

SOLDOTNA

P.O. BOX 417
SOLDOTNA, ALASKA 99669
(907) 262-7663

JUNEAU

BOX V
JUNEAU, ALASKA 99811
(907) 465-2689

MEMORANDUM

TO: All Interested Parties
FROM: Rep. C.E. Swackhammer
DATE: February 12, 1988
TOPIC: House Bill 473

Last session, the 15th Legislature passed a bill keeping Correctional Industries. House Bill 473 has been introduced by me to assure the industries program in corrections remains viable, productive and noncompetitive with private industry and labor in Alaska.

Alaska's economic downswing has made it necessary to address potential problems of the correctional industry negatively impacting free enterprise. To assist in this effort, HB473 changes the composition of the Corrections Industry Commission by adding another member from labor. Currently, the commission calls for one member of organized labor, at this time the member is from the building trades. It is felt that, although corrections industry may impact the construction trades, it is more likely to affect service oriented laborers. For this reason, HB 473 specifically designates that a member from the building trades be supplemented by a representative of the service trades in Alaska.

Corrections and I have had extensive interaction with labor representatives over the past few months. We have come to a consensus that the additional labor member will greatly enhance the industries program, while protecting the "free-world" enterprise.

It is for this reason, I respectfully solicit your support for this piece of legislation.

CORRECTIONAL INDUSTRIES IN ALASKA

The Corrections Industry program started in the Palmer Correctional Center. It is composed of a potato farm which produces potatoes for state institutions. It employs 2 or 3 inmates during the winter and as many as 15 during the summer, through harvest time in October. Palmer also has a body and fender shop which does repairs to state vehicles only; it employs 4 to 6 offenders.

The Palmer area is also the locale of a slaughter house operated by offenders. The facility was reclaimed from private enterprise which had been funded through state loans. The initial reaction to the operation was negative, with the greatest amount of negative input coming from meat processors and cold storage operations in Anchorage. The intent of the slaughterhouse is to primarily provide a service for Alaskan ranchers and dairy cull stock in the Matanuska Valley. The operation has been struggling, the processor "hurdle" has been overcome; they are now purchasing wholesale meats from the corrections operated plants.

Lemon Creek Correctional Center, in Juneau, houses a laundry facility which provides laundry services to the Alaska Marine Transportation System. Prior to its opening, laundry services were provided through a facility in Prince Rupert, British Columbia. It is a state of the art facility which has been operating at a profit. It employs XX offenders.

Two years ago it was suggested that the laundry wholesale laundry in Southeast. Because of negative reaction on the part of organized labor, the idea was scrapped.

Lemon Creek was also the site of a bakery which provided bake goods to the Marine Transportation System. Previous to its opening, the bake goods were provided by a Seattle firm. The bakery no longer exists and has returned to Seattle. A report of the closing of the bakery follows.

Wildwood Correctional Center has a metal fabrication industry which employs as many as 60 offenders. Its primary products are furniture and bear-proof trash containers used by the park service.

Uniquely, the industry received the contract to provide the secure furniture for the new facility soon to open in Seward, Spring Creek Correctional Center.

Wildwood CC Industries also makes top of the line office furniture. At one time it manufactured more than 200 models. There had been no

complaints from the private sector until the major decline in Alaska's economy. Because of slowing sales, statewide retailers asked corrections to reconsider the scope and magnitude of their operations. Through cooperative agreement, corrections reduced its furniture line to less than twenty models.

The Department of Corrections is currently seeking industries for Fairbanks Correctional Center and Spring Creek.

The Department recently received negative press regarding the prospects of doing data processing in the Fairbanks facility. This is not to be an industry program, but the comments were directed at it. The data processing issue has been tabled, with assurances by corrections that nothing would be done without complete support of the Fairbanks delegation.

LEMON CREEK CORRECTIONS BAKERY REPORT: In the Summer of 1987, a steward on the Alaska Marine Transportation System informed the Dept. of Transportation and Public Facilities that he had received information from an undisclosed source that the bakery products were contaminated. This contamination was allegedly human excretions. A large staple was also allegedly been implanted at the facility.

DOT/PF immediately stopped receiving products from Lemon Creek and conducted an investigation. The Alaska State Troopers were called into the investigation. The supervisors and inmates in the bakery industry volunteered to take polygraph tests regarding their activities in the bakery.

There was absolutely no evidence of foul play by staff or inmates; they were exonerated of any charges. The steward never disclosed his source of information.

Because of the negative press and potential spin-off of the accusations, the Department of Corrections has cancelled the bakery industry. The Department is speculating on moving the equipment to Southcentral Alaska to provide bakery goods to correctional facilities in the Anchorage Bowl Area.

HB

473.S

SENATE COMMITTEE REPORT

FURTHER

DATE TURNED INTO OFFICE 5/7/88

4/29/88
Mr. President:

FINANCE Committee considered HB 473

amending the composition and membership of the Correctional Industries Commission; efd
and recommended

replace with _____ CS _____) same title
 or adopt _____ CS _____) new title

attached amendment(s) and

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

letter of intent adopted _____

Committee attached or adopted fiscal note(s)
 new updated or previous
 zero fiscal impact
Corrections

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

Paul D. ...
Paul ...
...
...
...
...
...
...
...
...

Rick Hallford do pass
Chairman signature and recommendation

Committee Backup attached

FISCAL NOTE

No. 1

REQUEST:

Revision Date: _____
Title: "An Act amending the composition and membership."
Sponsor: Rep Swackhammer
Requestor: Gruenberg and Boyer

Agency Affected: Department of Corrections
BRU: _____
Components: Correctional Industries -
Production Cost

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
---------	-----	-----	-----	-----	-----	-----

REVENUE	-0-	-0-	-0-	-0-	-0-	-0-
---------	-----	-----	-----	-----	-----	-----

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

The travel and per diem costs associated with adding a member to the Correctional Industries Commission will be funded through the Correctional Industries Revolving Fund.

Prepared by: Susan E. Knighton, Director
Division: Administrative Services

Phone: 465-3376
Date: 2-26-88

Approved by Commissioner: Susan Humphrey-Barneft
Agency: Department of Corrections

Date: 2-26-88

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

1 IN THE HOUSE

BY SWACKHAMMER, GRUENBERG
AND BOYER

2

HOUSE BILL NO. 473

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act amending the composition and membership of
7 the Correctional Industries Commission; and providing
8 for an effective date."

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

10 * Section 1. AS 33.32.070(a) is amended to read:

11 (a) The Correctional Industries Commission is established to
12 provide general policy direction to the correctional industries pro-
13 gram through the commissioner of corrections. The commission consists
14 of eight [SEVEN] members, six [FIVE] of whom are to be appointed by
15 the governor to serve staggered terms of four years. The appointed
16 members must include one [A] representative each from [OF] private
17 industry, [ORGANIZED LABOR,] agriculture, and the general public; [,
18 AND] one ex-offender; and two representatives from organized labor,
19 one of whom shall be from the building trades and one of whom shall be
20 from the service industries. The commissioner of administration is
21 also a member, as is the commissioner of corrections who is to serve
22 as chairperson.

23 * Sec. 2. AS 33.32.070(b) is amended to read:

24 (b) The Correctional Industries Commission shall meet at least
25 four times during each fiscal year and may hold additional meetings at
26 the call of the chairperson. Five [FOUR] members of the Correctional
27 Industries Commission constitute a quorum and a vote of a majority of
28 the quorum is necessary for the transaction of the business of the
29 commission.

1 * Sec. 3. TERM OF OFFICE OF EXISTING ORGANIZED LABOR REPRESENTATIVE.

2 (a) Notwithstanding AS 33.32.070(a), as amended by sec. 1 of this Act, the
3 representative of organized labor serving on the Correctional Industries
4 Commission on the effective date of this Act may continue to serve for the
5 duration of the term to which the person was appointed.

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7 governor shall specify whether the representative of organized labor serv-
8 ing on the Correctional Industries Commission under (a) of this section on
9 the effective date of this Act is appointed from the building trades or
10 from the service industries.

11 * Sec. 4. TERM OF OFFICE OF NEW LABOR REPRESENTATIVE. (a) After
12 making the designation required by sec. 3(b) of this Act, the governor
13 shall appoint the second labor representative authorized by AS 33.32.-
14 070(a), as amended by sec. 1 of this Act.

15 (b) Notwithstanding the requirement of a four-year term of office set
16 out in AS 33.32.070, the governor shall specify the term of the labor
17 representative appointed under (a) of this section, but the term may not
18 extend beyond June 30, 1991.

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

REPRESENTATIVE
C.E. "SWACK" SWACKHAMMER

Alaska State Legislature



House of Representatives

SOLDOTNA

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JUNEAU

BOX V
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manufacturing more than

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SENATE COMMITTEE REPORT

FURTHER

JUDICIARY
FINANCE

3/30/88

DATE TURNED INTO OFFICE

4/25/88

Mr. President:

HESS

Committee considered

HB 473

amending the composition and membership of the Correctional Industries Commission; efd

and recommended

replace with _____ CS _____) same title
 or adopt _____ CS _____) new title

attached amendment(s) and

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

letter of intent adopted _____

Committee attached or adopted fiscal note(s)

new

updated or

previous

zero

fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

1 Paul G. ...

1 [Signature]

2 [Signature] No Rec

2 [Signature] No Rec

1 Paul Frick (Do Pass)

Chairman signature and recommendation

Committee Backup attached

SENATE COMMITTEE REPORT

revd 4/26

FURTHER

FINANCE

4/26/88

DATE TURNED INTO OFFICE _____

Mr. President:

_____ JUDICIARY _____ Committee considered _____ HB 473 _____

amending the composition and membership of the Correctional Industries Commission; efd

and recommended

[] replace with _____ CS _____) [] same title
[] or adopt _____ CS _____) [] new title

[] attached amendment(s) and

~~[] do pass~~

[] do not pass

[] no recommendation

~~[] individual recommendations~~

[] further referral to _____

[] letter of intent adopted _____

Committee ~~[]~~ attached or [] adopted fiscal note(s)

[] new [] updated or ~~[]~~ previous

~~[]~~ zero [] fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

~~1~~ Curtis Stungler

~~1~~ Joe Josephson

Curtis Stungler Do pass
Chairman signature and recommendation

[] Committee Backup attached

HB

486

HOUSE COMMITTEE REPORT

(11)

Date referred: 3/29/88

FURTHER REFERRALS:

DATE: 4-11-88

The Finance Committee has considered HB 486

"An Act relating to fisheries tax returns; and providing for an effective date."

RECOMMENDS:

- replace with _____ the same title
- attached amendment(s) a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):

- fiscal impact same as previous fiscal note published 3/22/88
- zero fiscal note same as previous zero fiscal note published _____
- zero with analysis

SIGNING DO PASS:

Adams [Signature]

Pourchet [Signature]

Larson [Signature]

Boyer [Signature]

Rieger [Signature]

Frank [Signature]

Brown [Signature]

Davis [Signature]

Wallis [Signature]

SIGNING OTHER RECOMMENDATIONS:

Swack [Signature] NR

[Signature]

[Signature]
Chairman's signature

1.1 HB 486

STATE OF ALASKA
1988 LEGISLATIVE SESSION

BILL VERSION: HB 486
PUBLISH DATE: 2/22/88

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: An Act relating to fisheries tax returns; and providing for an eff. date.
Sponsor: Herrman, C. & Davidson, Ulmer
Requestor: C & R A and Resources

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

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
OPERATING						
PERSONAL SERVICES	-	-	-	-	-	-
TRAVEL	-	.5	.5	.5	.5	.5
CONTRACTUAL	-	.5	.5	.5	.5	.5
SUPPLIES	-	-	-	-	-	-
EQUIPMENT	-	-	-	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-	1.0	1.0	1.0	1.0	1.0
CAPITAL	-	-	-	-	-	-
REVENUE	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	1.0	1.0	1.0	1.0	1.0
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

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

Phone: (907) 465-2320
Date: February 22, 1988

Approved by Commissioner: _____
Agency: _____

Date: 2/22/88

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

HB 486 Analysis

Prepared By: Steven E. Kettel
Income & Excise Audit
February 22, 1988

Travel

Regulation Hearing Travel to Anchorage \$.5

Contractual

Regulation Advertising/Printing \$.2
Exchange of Information Forms \$.2
Postage \$.1

1 IN THE HOUSE

BY HERRMANN, CATO,
DAVIDSON AND ULMER

2

HOUSE BILL NO. 486

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act relating to fisheries tax returns; and pro-
7 viding 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. 43.75.133. PROVISION OF INFORMATION TO MUNICIPALITIES. (a)

11 If the mayor, manager, or administrator of a municipality makes a
12 written request, the department shall furnish the mayor, manager, or
13 administrator of the municipality the names of all fisheries busi-
14 nesses that have filed tax returns under this chapter in which the
15 fisheries business listed the municipality as the location in which
16 the fisheries business processed a fisheries resource subject to the
17 tax imposed under this chapter.

18 (b) If the mayor, manager, or administrator of a municipality
19 makes a written request, the department shall verify that, as to a tax
20 levied and collected by the municipality that is based on the value of
21 fisheries resource processed in or transported to or within the munic-
22 ipality, the value of the fisheries resources reported by a fisheries
23 business to the municipality and the value of the fisheries resources
24 reported by the fisheries business to the department under this chap-
25 ter are substantially the same. If the values are not substantially
26 the same, the department shall permit the mayor, manager, or adminis-
27 trator of the municipality to inspect tax returns filed by the fisher-
28 ies business with the department under this chapter, or shall furnish
29 to the municipal officer a copy of the tax returns, if the department

1 determines that the municipality provides adequate safeguards for the
2 confidentiality of the returns and that the returns will be used by
3 the municipality only for purposes of collection of its tax levied and
4 collected on fisheries resources. In this subsection, the value of
5 the fisheries resources reported by the fisheries business to the
6 department and the value reported to the municipality are substantial-
7 ly the same if the values are equal or the variance between them does
8 not exceed one percent of the greater value.

9 * Sec. 2. APPLICABILITY. AS 43.75.133, added by sec. 1 of this Act,
10 applies to tax returns filed by a fisheries business after December 31,
11 1986.

12 * Sec. 3. This Act takes effect immediately under AS 01.10.070(c).

1 IN THE HOUSE

BY HERRMANN, CATO,
DAVIDSON AND ULMER

2

HOUSE BILL NO. 486

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act relating to fisheries tax returns; and pro-
7 viding for an effective date."

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

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15 fisheries business listed the municipality as the location in which
16 the fisheries business processed a fisheries resource subject to the
17 tax imposed under this chapter.

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20 levied and collected by the municipality that is based on the value of
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29 to the municipal officer a copy of the tax returns, if the department

1 determines that the municipality provides adequate safeguards for the
2 confidentiality of the returns and that the returns will be used by
3 the municipality only for purposes of collection of its tax levied and
4 collected on fisheries resources. In this subsection, the value of
5 the fisheries resources reported by the fisheries business to the
6 department and the value reported to the municipality are substantial-
7 ly the same if the values are equal or the variance between them does
8 not exceed one percent of the greater value.

9 * Sec. 2. APPLICABILITY. AS 43.75.133, added by sec. 1 of this Act,
10 applies to tax returns filed by a fisheries business after December 31,
11 1986.

12 * Sec. 3. This Act takes effect immediately under AS 01.10.070(c).

Alaska
MUNICIPAL
League

TELEPHONE
(907) 586-1325

105 MUNICIPAL WAY, SUITE 301
JUNEAU, ALASKA 99801

MEMORANDUM

TO: Representative Henry Springer, Chair
Members of the House Community and Regional
Affairs Committee

FROM: Scott A. Burgess, Executive Director

DATE: March 21, 1988

SUBJECT: HB 486 - Fisheries Tax Returns

The Alaska Municipal League strongly supports HB 486 - relating to fisheries tax returns. Subsection (a) permits municipalities to determine whether fisheries businesses operating within their boundaries are properly reporting the location of their activities. Inaccurate or improper reporting of location adversely affects the entitlement of an affected municipality to its share of the fisheries license tax.

Subsection (b) is extremely important to municipalities that levy sales and use taxes on the sale or use of fisheries products. It provides an enforcement mechanism that will provide enforcement information to both the state and the municipality without violating the purpose for which the confidentiality of these records was established. The practice of taxing jurisdictions of exchanging taxpayer information for enforcement purposes is well established and should be extended to this situation.

I have enclosed a related resolution adopted by the AML membership at our annual conference in November. The resolution supports the need to share fisheries tax information between the State and municipalities. It also request adequate funding for the Department of Fish and Game to properly collect, report, and manage fish ticket information.

The AML strongly supports HB 486.

Thank you.

SAB:ph1

Enclosure

RESOLUTION OF THE ALASKA MUNICIPAL LEAGUE

RESOLUTION NO. 88-8

A RESOLUTION CONCERNING RAW FISH TAX COLLECTIONS.

WHEREAS, the collection of raw fish tax is a critical source of revenue for the local municipalities and the State of Alaska, and

WHEREAS, the municipalities have been unable to obtain any data concerning collection of raw fish tax, and

WHEREAS, the municipalities would provide considerable information and assistance to the Department of Revenue if given the opportunity, and

WHEREAS, the municipalities have been effectively managing confidential information for many years, and

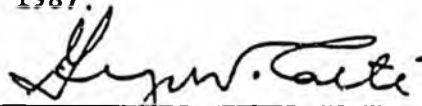
WHEREAS, the municipalities concur with the sensitivity of the processor information and agree to treat the information as confidential information, and

WHEREAS, the Department of Fish and Game fish tickets for bottomfish have not been processed for several months, which means no catch verification or fish tax verification is taking place at this time, and

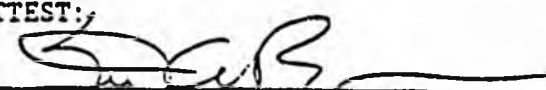
WHEREAS, this information is critical for both management of the fish resource and accurate management of the fish tax collections;

NOW, THEREFORE, BE IT RESOLVED by the Alaska Municipal League that Governor Cowper and the Alaska Legislature adopt legislation to fund adequate staff positions within the Department of Fish and Game to properly manage the information provided on the fish tickets for all species in a timely manner to allow verification and quality information to the municipalities and an accurate accounting for the raw fish tax.

Adopted this 13th day of November 1987.


George W. Carte', President

ATTEST:


Scott A. Burgess, Executive Director

STATE OF ALASKA

DEPARTMENT OF REVENUE

② HB 486

STEVE COWPER, GOVERNOR

STATE OFFICE BUILDING
P.O. BOX SA
JUNEAU, ALASKA 99811-0400

March 10, 1988

Honorable Heinrich Springer
House Community & Regional Affairs Committee
Court Building, Room 603
P.O. Box V
Juneau, Alaska 99811

Dear Representative Springer: Subject: Analysis & Support for HB486

Present Alaska law prohibits the Department from sharing confidential tax information with the general public, other state or local governmental agencies or the legislature. Also, the statutes governing the fisheries business (raw fish) tax provides that the State will share up to 50% of that tax with the communities in which the fish are processed. To many communities, this is a significant source of revenues, and borough managers are becoming increasingly interested in whether they are receiving their fair share of the fish tax.

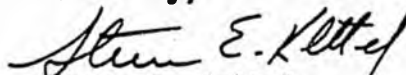
Often times, these cities have information concerning the processors that enter their jurisdiction and process fish, and in some instances, they possess detailed information concerning the amount or value of fish processed. With this information in hand, these managers have desired to share it with the Department to insure that the State's fish tax is being reported correctly and that their municipality is being properly credited for revenue sharing purposes. Prohibition against disclosure at the state level has frustrated city and state administrators alike in their efforts to collect all taxes due and properly share them among the effected communities.

HB 486 provides a mechanism for the Department of Revenue to share sufficient information with municipalities to allow for enhanced compliance with the new fish tax law at both the state and local level, while continuing to protect the sensitive information on the tax return. The Department of Revenue supports this legislation. The proposal applies to the following two classes of information and two classes of municipalities.

I. City/Boroughs which do not levy a tax on fish resources processed in their jurisdiction may request and receive from the Department only the names of the fisheries businesses which have reported fish processing activities for that city or borough on the State's fish tax returns. No financial information contained in the return will be disclosed.

II. City/Boroughs which levy a fish tax on the value of fish processed in their jurisdiction may request the Department to verify that values reported on their tax returns are substantially the same as values reported on the State's return. If the values are not the same, the Department will give the municipality a copy of the State tax return, provided the municipality safeguards the information and uses it only for tax collection purposes.

Sincerely,



Steven E. Kettel
Director
Income & Excise Audit
(907) 465-2320

cc:Rep. Adelheid Hermann

88-66



Alaska State Legislature

3 HB 486

House of Representatives

Committee on
Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811
(907) 465-4833

TO: Rep. Henry Springer, Chairman HCRA
FROM: David C. Harrison, P.A., HCRA
SUBJECT: Bill Review - HB 486
"An Act relating to fisheries tax returns; and providing for an effective date." [Herrmann, Cato, Davidson, Ulmer]

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

Sec. 43.75.133 PROVISION OF INFORMATION TO MUNICIPALITIES:

Comments: At the present time, the Department of Revenue does not share filed tax returns with municipalities because of confidentiality of tax returns. If this bill becomes law, reciprocal tax information may be shared enabling municipalities and the Department of Revenue to coordinate tax information of fisheries businesses within taxing authority of municipalities eligible for tax shared revenue.

The exchange of information would help aid in compliance of reporting by the municipalities to the Revenue Department of fisheries business activities and the Revenue Department could assess such activity along with filed tax reports by fisheries businesses.

Additionally, municipal officials written request for tax return information requires the Department of Revenue to verify as to the tax levied and collected by the municipality that is based upon the value of fisheries resources processed in or transported to or within the municipality. Some form of verification is required in order to assess taxes collected and taxes paid.

Although processed fish within municipalities are taxed and the tax is shared with the municipalities and with the state, the phrase listed on page 1, line 21, "... or transported to or within the municipality...." has additional potential tax revenue if resources that are transhipped to or within a municipality are considered taxable resources. It is possible that transhipped resources were in fact processed within state waters and or within a municipality or that such fishery resources were processed within the 200 mile economic zone.

According to Alaska Legislative Digest, No. 4/88 Fish Tax; The Facts - Alaska Fisheries Business Tax Total FY 87 Revenue: \$26.6 million. Resource value reported on Fisheries Business Tax Returns: \$721 million. Estimated resource value passing through state waters \$1.8 billion.

The primary purpose of this bill is to allow exchange of tax information necessary to assess taxes as shared by municipalities and the state. However, HB 408 directly addresses tax liability of fish processed outside state water but brought into state water. Taxing level by the state is five percent under HB 408.

Attachment - Alaska Legislative Digest, No. 4/88.

(4) HB 486

STATE OF ALASKA
THE LEGISLATURE

POUCH Y STATE CAPITOL
JUNEAU ALASKA 99811
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

March 10, 1988

SUBJECT: Sectional analysis, HB 486
TO: Representative Adelheid Herrmann
FROM: Jack Chenoweth
Legislative Counsel

This bill is intended to be responsive to Resolution 87-06 of the Southwest Alaska Municipal Conference encouraging the Department of Revenue to work cooperatively with municipalities in efforts to verify and enforce collection of taxes on raw fish.

Specifically, bill section 1 adds a new provision to permanent law, AS 43.75.133. In that provision, the Department of Revenue is directed to respond to the request of a municipal mayor, manager, or administrator and to furnish to that official the names of fisheries businesses filing returns under the state's fisheries business tax (AS 43.75) in which the business lists the municipality as the location of fisheries processing activities that are subject to the state's tax. Additionally, a municipal mayor, manager, or administrator may seek verification of the amount of a fisheries resource tax imposed by the municipality on fisheries resources processed in or transported through the municipality. If asked, the department shall verify values by comparing the municipality's report to the returns filed by the taxpayer with the department. The department is directed to indicate whether the amount reported to the municipality is "substantially the same" as the amount reported to the state. If the values "are not substantially the same," the department shall permit the requesting municipal official to inspect the tax return filed with the state or furnish a copy of that tax return, but need only do so if satisfied that "the municipality provides adequate safeguards for the confidentiality of the returns and that the returns will be used by the municipality only for purposes of collection of its tax." The provision also incorporates a definition of

Representative Adelheid Herrmann
Page 2
March 10, 1988

when values are considered "substantially the same," setting that margin of difference at not more than one percent of the greater value.

Bill section 2 permits municipal officials to verify and inspect under AS 43.75.0133, added by bill section 1, those returns filed after December 31, 1986 (that is, returns for 1987 and later).

Bill section 3 gives the legislation an immediate effective date.

JBC:gc
WKG2:46

RESOLUTION OF THE ALASKA MUNICIPAL LEAGUE

RESOLUTION NO. 88-8

A RESOLUTION CONCERNING RAW FISH TAX COLLECTIONS.

WHEREAS, the collection of raw fish tax is a critical source of revenue for the local municipalities and the State of Alaska, and

WHEREAS, the municipalities have been unable to obtain any data concerning collection of raw fish tax, and

WHEREAS, the municipalities would provide considerable information and assistance to the Department of Revenue if given the opportunity, and

WHEREAS, the municipalities have been effectively managing confidential information for many years, and

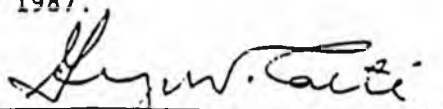
WHEREAS, the municipalities concur with the sensitivity of the processor information and agree to treat the information as confidential information, and

WHEREAS, the Department of Fish and Game fish tickets for bottomfish have not been processed for several months, which means no catch verification or fish tax verification is taking place at this time, and


WHEREAS, this information is critical for both management of the fish resource and accurate management of the fish tax collections;

NOW, THEREFORE, BE IT RESOLVED by the Alaska Municipal League that Governor Cowper and the Alaska Legislature adopt legislation to fund adequate staff positions within the Department of Fish and Game to properly manage the information provided on the fish tickets for all species in a timely manner to allow verification and quality information to the municipalities and an accurate accounting for the raw fish tax.

Adopted this 13th day of November 1987.


George W. Carte, President

ATTEST:


Scott A. Burgess, Executive Director

CITY OF KING COVE

P.O. Box 37 • King Cove, Alaska 99612 • (907) 497-2340

March 10, 1988

The Honorable Adelhied Herrmann
Alaska State Representative
P.O. Box V
Juneau, Alaska 99811

RE: HB 486

Dear Representative Herrmann:

The City of King Cove strongly supports the adoption of HB 486, an act relating to fisheries tax returns. The City believes this bill will effectively assist in accomplishing the following:

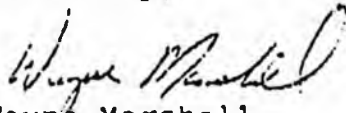
- o Provide municipalities a cost-effective tool in the administration and collection of municipal sales/use taxes, particularly from floating fish processors ; and

- o Provide the State and municipalities an informal avenue to share information and identify processors which are operating in respective areas of the State. This information sharing will enhance the prospects for the State and municipalities to collect tax revenues each is owed, again, particularly from floating processors.

The main problem confronting coastal municipalities are that they are often unaware of floating fish processing activities that occur in their municipal boundaries and cannot verify the amount of fish product a processor processes. Floating fish processors operating in State waters are required to pay State Fisheries Business Taxes—and this information could be an essential tool to help a municipality collect the full amount of local tax assessments it is owed. Quite simply, the large amount of territory in some coastal municipalities, particularly boroughs, and the prohibitive cost of operating onsite monitoring program make it difficult for most municipalities to effectively collect taxes from floating processors. HB 486 is not a cure-all for this problem, but it is a very positive step that will immediately benefit municipalities and the State.

The City of King Cove supports HB 486 and urges its adoption this session.

Sincerely,


Wayne Marshall
City Manager

ALEUTIANS EAST BOROUGH

SERVING THE COMMUNITIES OF

■ KING COVE ■ SAND POINT ■ AKUTAN ■ COLD BAY ■ FALSE PASS ■ NELSON LAGOON

February 29, 1988

RECEIVED MAR - 9 1988

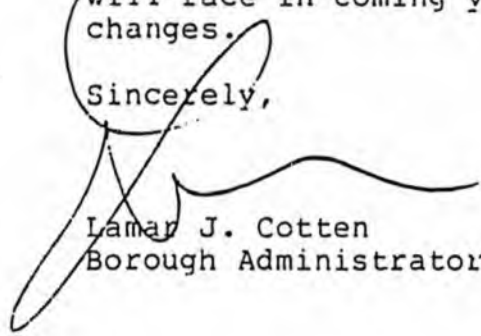
Representative Adelheid Herrmann
P.O. Box V
Juneau, Alaska 99811

RE: HB 486 - Confidentiality Bill

Dear Representative Herrmann:

Just a short note to say that the Aleutians East Borough supports the House Bill 486. It will help close loop-holes in current State law while insuring a taxation policy which treats all entities equally. The bill is well overdue and will help alleviate a number of problems which communities will face in coming years as the fishing industry evolves and changes.

Sincerely,



Lamar J. Cotten
Borough Administrator

City of Sand Point

P.O. Box 249
Sand Point, Alaska 99661
(907) 383-2696

RECEIVED MAR - 9 1988

March 2, 1988

Honorable Adelheid Herrmann
P.O. Box V
Juneau, Alaska 99811

Dear Representative Herrmann:

The City of Sand Point supports your efforts through HB 408 to promote the exchange of the fisheries business tax information between cities and the Department of Revenue. Given the declining nature of revenues, it is mutually advantageous for cities and the Department of Revenue to cross check their sales tax figures against the gross receipts shown on the fisheries business tax form.

Sincerely,



Robert S. Juettner
City Administrator



**SOUTHWEST ALASKA
MUNICIPAL CONFERENCE**

Box 89 • Unalaska • Alaska 99685

RESOLUTION 87-06

A RESOLUTION OF THE SOUTHWEST ALASKA MUNICIPAL CONFERENCE CONCERNING RAW FISH TAX COLLECTIONS.

WHEREAS, the collection of raw fish tax is a critical source of revenue for the local municipalities and the State of Alaska, and

WHEREAS, the municipalities have been unable to obtain any data concerning collection of raw fish tax, and

WHEREAS, the municipalities would provide considerable information and assistance to the Department of Revenue if given the opportunity, and

WHEREAS, the municipalities have been effectively managing confidential information for many years, and

WHEREAS, the municipalities concur with the sensitivity of the processor information and agree to treat the information as confidential information, and

WHEREAS, the Department of Fish and Game fish tickets for bottomfish have not been processed for several months which means no catch verification or fish tax verification is taking place at this time, and

WHEREAS, this information is critical for both management of the fish resource and accurate management of the fish tax collections, now

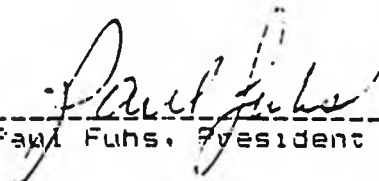
THEREFORE, BE IT RESOLVED by the Southwest Alaska Municipal Conference that Governor Cowper and the Alaska Legislature adopt legislation to:

1. Authorize the Department of Revenue to share the confidential information of fish tax collected per processor to be treated as confidential information exempt from public disclosure by the local municipalities.

Southwest Alaska Municipal Conference
Resolution 87-06
Page two

2. Require the Department of Revenue to work cooperatively with local municipalities in verification and collection of raw fish tax including the option for a local municipality to assume the collection duties within their municipal boundaries and retain a reasonable administrative fee to cover the cost of collection.
3. Fund adequate staff positions within the Department of Fish and Game to properly manage the information provided on the fish tickets for all species in a timely manner to allow verification and quality information to the municipalities and an accurate accounting for the raw fish tax.

APPROVED AND ADOPTED this 14th day of March
1987.



Paul Fuhs, President

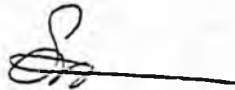
5-3450

Alaska MUNICIPAL League

TELEPHONE
(907) 586-1325

105 MUNICIPAL WAY, SUITE 301
JUNEAU, ALASKA 99801

MEMORANDUM

TO: Representative Henry Springer, Chair 
Members of the House Community and Regional
Affairs Committee

FROM: Scott A. Burgess, Executive Director

DATE: March 21, 1988

SUBJECT: HB 486 - Fisheries Tax Returns

The Alaska Municipal League strongly supports HB 486 - relating to fisheries tax returns. Subsection (a) permits municipalities to determine whether fisheries businesses operating within their boundaries are properly reporting the location of their activities. Inaccurate or improper reporting of location adversely affects the entitlement of an affected municipality to its share of the fisheries license tax.

Subsection (b) is extremely important to municipalities that levy sales and use taxes on the sale or use of fisheries products. It provides an enforcement mechanism that will provide enforcement information to both the state and the municipality without violating the purpose for which the confidentiality of these records was established. The practice of taxing jurisdictions of exchanging taxpayer information for enforcement purposes is well established and should be extended to this situation.

I have enclosed a related resolution adopted by the AML membership at our annual conference in November. The resolution supports the need to share fisheries tax information between the State and municipalities. It also request adequate funding for the Department of Fish and Game to properly collect, report, and manage fish ticket information.

The AML strongly supports HB 486.

Thank you.

SAB:ph1

Enclosure

RESOLUTION OF THE ALASKA MUNICIPAL LEAGUE

RESOLUTION NO. 88-8

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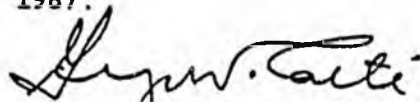
WHEREAS, the municipalities concur with the sensitivity of the processor information and agree to treat the information as confidential information, and

WHEREAS, the Department of Fish and Game fish tickets for bottomfish have not been processed for several months, which means no catch verification or fish tax verification is taking place at this time, and

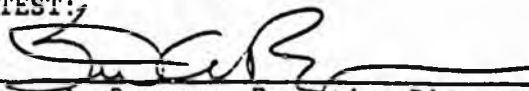
WHEREAS, this information is critical for both management of the fish resource and accurate management of the fish tax collections;

NOW, THEREFORE, BE IT RESOLVED by the Alaska Municipal League that Governor Cowper and the Alaska Legislature adopt legislation to fund adequate staff positions within the Department of Fish and Game to properly manage the information provided on the fish tickets for all species in a timely manner to allow verification and quality information to the municipalities and an accurate accounting for the raw fish tax.

Adopted this 13th day of November 1987.


George W. Carte', President

ATTEST:


Scott A. Burgess, Executive Director

HB

486-S

SENATE COMMITTEE REPORT

FURTHER

4/25/88

DATE TURNED INTO OFFICE 5/6/88

Mr. President:

Finance Committee considered HB 486

fisheries tax returns; efd

and recommended

replace with _____ CS _____) same title
 or adopt _____ CS _____) new title

attached amendment(s) and

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

letter of intent adopted _____

Committee attached or adopted fiscal note(s)

new updated or previous

zero SFL fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

[Handwritten signatures]

Rick Heford do pass
Chairman signature and recommendation

Committee Backup attached

STATE OF ALASKA
1988 LEGISLATIVE SESSION

BILL VERSION: HE 486
PUBLISH DATE: _____

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: Act relating to fisheries

Agency Affected: Dept of Revenue
BRU: Income & Excise Audit

Sponsor: Herrman, Cato, Davidson
Requestor: Senate Finance Committee

Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

Prepared by: *Rick Halford*
Division: Senator Rick Halford, Co-chairman
Senate Finance Committee

Phone: 465-4958
Date: May 5, 1988

Approved by Commissioner: _____
Agency: _____

Date: _____

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

1 IN THE HOUSE

BY HERRMANN, CATO,
DAVIDSON AND ULMER

2

HOUSE BILL NO. 486

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act relating to fisheries tax returns; and pro-

7

viding 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. 43.75.133. PROVISION OF INFORMATION TO MUNICIPALITIES. (a)

11

If the mayor, manager, or administrator of a municipality makes a
12 written request, the department shall furnish the mayor, manager, or
13 administrator of the municipality the names of all fisheries busi-
14 nesses that have filed tax returns under this chapter in which the
15 fisheries business listed the municipality as the location in which
16 the fisheries business processed a fisheries resource subject to the
17 tax imposed under this chapter.

18

(b) If the mayor, manager, or administrator of a municipality
19 makes a written request, the department shall verify that, as to a tax
20 levied and collected by the municipality that is based on the value of
21 fisheries resource processed in or transported to or within the munic-
22 ipality, the value of the fisheries resources reported by a fisheries
23 business to the municipality and the value of the fisheries resources
24 reported by the fisheries business to the department under this chap-
25 ter are substantially the same. If the values are not substantially
26 the same, the department shall permit the mayor, manager, or adminis-
27 trator of the municipality to inspect tax returns filed by the fisher-
28 ies business with the department under this chapter, or shall furnish
29 to the municipal officer a copy of the tax returns, if the department

1 determines that the municipality provides adequate safeguards for the
2 confidentiality of the returns and that the returns will be used by
3 the municipality only for purposes of collection of its tax levied and
4 collected on fisheries resources. In this subsection, the value of
5 the fisheries resources reported by the fisheries business to the
6 department and the value reported to the municipality are substantial-
7 ly the same if the values are equal or the variance between them does
8 not exceed one percent of the greater value.

9 * Sec. 2. APPLICABILITY. AS 43.75.133, added by sec. 1 of this Act,
10 applies to tax returns filed by a fisheries business after December 31,
11 1986.

12 * Sec. 3. This Act takes effect immediately under AS 01.10.070(c).

STATE OF ALASKA
1988 LEGISLATIVE SESSION

BILL VERSION: HB 486
PUBLISH DATE: HOUSE 3/22/88

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: An Act relating to fisheries tax returns; and providing for an eff. date.
Sponsor: Herrman, Cato, Davidson, Ulmer
Requestor: C & R A and Resources

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

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
OPERATING						
PERSONAL SERVICES	-	-	-	-	-	-
TRAVEL	-	.5	.5	.5	.5	.5
CONTRACTUAL	-	.5	.5	.5	.5	.5
SUPPLIES	-	-	-	-	-	-
EQUIPMENT	-	-	-	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-	1.0	1.0	1.0	1.0	1.0
CAPITAL	-	-	-	-	-	-
REVENUE	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	1.0	1.0	1.0	1.0	1.0
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

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

Phone: (907) 465-2320

Date: February 22, 1988

Approved by Commissioner: _____
Agency: _____

Date: 2/22/88

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

Alaska
MUNICIPAL
League

TELEPHONE
(907) 586-1325

105 MUNICIPAL WAY, SUITE 301
JUNEAU, ALASKA 99801

MEMORANDUM

TO: Representative Henry Springer, Chair
Members of the House Community and Regional
Affairs Committee

FROM: Scott A. Burgess, Executive Director

DATE: March 21, 1988

SUBJECT: HB 486 - Fisheries Tax Returns

The Alaska Municipal League strongly supports HB 486 - relating to fisheries tax returns. Subsection (a) permits municipalities to determine whether fisheries businesses operating within their boundaries are properly reporting the location of their activities. Inaccurate or improper reporting of location adversely affects the entitlement of an affected municipality to its share of the fisheries license tax.

Subsection (b) is extremely important to municipalities that levy sales and use taxes on the sale or use of fisheries products. It provides an enforcement mechanism that will provide enforcement information to both the state and the municipality without violating the purpose for which the confidentiality of these records was established. The practice of taxing jurisdictions of exchanging taxpayer information for enforcement purposes is well established and should be extended to this situation.

I have enclosed a related resolution adopted by the AML membership at our annual conference in November. The resolution supports the need to share fisheries tax information between the State and municipalities. It also request adequate funding for the Department of Fish and Game to properly collect, report, and manage fish ticket information.

The AML strongly supports HB 486.

Thank you.

SAB:ph1

Enclosure

RESOLUTION OF THE ALASKA MUNICIPAL LEAGUE

RESOLUTION NO. 88-8

A RESOLUTION CONCERNING RAW FISH TAX COLLECTIONS.

WHEREAS, the collection of raw fish tax is a critical source of revenue for the local municipalities and the State of Alaska, and

WHEREAS, the municipalities have been unable to obtain any data concerning collection of raw fish tax, and

WHEREAS, the municipalities would provide considerable information and assistance to the Department of Revenue if given the opportunity, and

WHEREAS, the municipalities have been effectively managing confidential information for many years, and

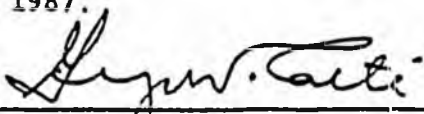
WHEREAS, the municipalities concur with the sensitivity of the processor information and agree to treat the information as confidential information, and

WHEREAS, the Department of Fish and Game fish tickets for bottomfish have not been processed for several months, which means no catch verification or fish tax verification is taking place at this time, and

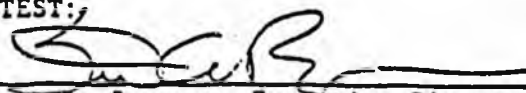
WHEREAS, this information is critical for both management of the fish resource and accurate management of the fish tax collections;

NOW, THEREFORE, BE IT RESOLVED by the Alaska Municipal League that Governor Cowper and the Alaska Legislature adopt legislation to fund adequate staff positions within the Department of Fish and Game to properly manage the information provided on the fish tickets for all species in a timely manner to allow verification and quality information to the municipalities and an accurate accounting for the raw fish tax.

Adopted this 13th day of November 1987.


George W. Carte, President

ATTEST:


Scott A. Burgess, Executive Director

4 HB 486

STATE OF ALASKA
THE LEGISLATURE

POUCH Y STATE CAPITOL
UNEAU ALASKA 99511
507 465 2823

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

March 10, 1988

SUBJECT: Sectional analysis, HB 486
TO: Representative Adelheid Herrmann
FROM: Jack Chenoweth
Legislative Counsel

This bill is intended to be responsive to Resolution 87-06 of the Southwest Alaska Municipal Conference encouraging the Department of Revenue to work cooperatively with municipalities in efforts to verify and enforce collection of taxes on raw fish.

Specifically, bill section 1 adds a new provision to permanent law, AS 43.75.133. In that provision, the Department of Revenue is directed to respond to the request of a municipal mayor, manager, or administrator and to furnish to that official the names of fisheries businesses filing returns under the state's fisheries business tax (AS 43.75) in which the business lists the municipality as the location of fisheries processing activities that are subject to the state's tax. Additionally, a municipal mayor, manager, or administrator may seek verification of the amount of a fisheries resource tax imposed by the municipality on fisheries resources processed in or transported through the municipality. If asked, the department shall verify values by comparing the municipality's report to the returns filed by the taxpayer with the department. The department is directed to indicate whether the amount reported to the municipality is "substantially the same" as the amount reported to the state. If the values "are not substantially the same," the department shall permit the requesting municipal official to inspect the tax return filed with the state or furnish a copy of that tax return, but need only do so if satisfied that "the municipality provides adequate safeguards for the confidentiality of the returns and that the returns will be used by the municipality only for purposes of collection of its tax." The provision also incorporates a definition of

Representative Adelheid Herrmann
Page 2
March 10, 1988

when values are considered "substantially the same," setting that margin of difference at not more than one percent of the greater value.

Bill section 2 permits municipal officials to verify and inspect under AS 43.75.0133, added by bill section 1, those returns filed after December 31, 1986 (that is, returns for 1987 and later).

Bill section 3 gives the legislation an immediate effective date.

JBC:gc
WKG2:46



Alaska State Legislature

3 HB 486

House of Representatives

Committee on Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811
(907) 465-4833

TO: Rep. Henry Springer, Chairman HCRA
FROM: David C. Harrison, P.A., HCRA
SUBJECT: Bill Review - HB 486
"An Act relating to fisheries tax returns; and providing for an effective date." [Herrmann, Cato, Davidson, Ulmer]

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

Sec. 43.75.133 PROVISION OF INFORMATION TO MUNICIPALITIES:

Comments: At the present time, the Department of Revenue does not share filed tax returns with municipalities because of confidentiality of tax returns. If this bill becomes law, reciprocal tax information may be shared enabling municipalities and the Department of Revenue to coordinate tax information of fisheries businesses within taxing authority of municipalities eligible for tax shared revenue.

The exchange of information would help aid in compliance of reporting by the municipalities to the Revenue Department of fisheries business activities and the Revenue Department could assess such activity along with filed tax reports by fisheries businesses.

Additionally, municipal officials written request for tax return information requires the Department of Revenue to verify as to the tax levied and collected by the municipality that is based upon the value of fisheries resources processed in or transported to or within the municipality. Some form of verification is required in order to assess taxes collected and taxes paid.

Although processed fish within municipalities are taxed and the tax is shared with the municipalities and with the state, the phrase listed on page 1, line 21, "... or transported to or within the municipality...." has additional potential tax revenue if resources that are transhipped to or within a municipality are considered taxable resources. It is possible that transhipped resources were in fact processed within state waters and or within a municipality or that such fishery resources were processed within the 200 mile economic zone.

According to Alaska Legislative Digest, No. 4/88 Fish Tax;The Facts - Alaska Fisheries Business Tax Total FY 87 Revenue: \$26.6 million. Resource value reported on Fisheries Business Tax Returns: \$721 million. Estimated resource value passing through state waters \$1.8 billion.

The primary purpose of this bill is to allow exchange of tax information necessary to assess taxes as shared by municipalities and the state. However, HB 408 directly addresses tax liability of fish processed outside state water but brought into state water. Taxing level by the state is five percent under HB 408.

Attachment - Alaska Legislative Digest, No. 4/88.

STATE OF ALASKA

DEPARTMENT OF REVENUE

(2) HB 486

STEVE COWPER, GOVERNOR

STATE OFFICE BUILDING
P.O. BOX 5A
JUNEAU, ALASKA 99811-0400

March 10, 1988

Honorable Heinrich Springer
House Community & Regional Affairs Committee
Court Building, Room 603
P.O. Box V
Juneau, Alaska 99811

Dear Representative Springer: Subject: Analysis & Support for HB486

Present Alaska law prohibits the Department from sharing confidential tax information with the general public, other state or local governmental agencies or the legislature. Also, the statutes governing the fisheries business (raw fish) tax provides that the State will share up to 50% of that tax with the communities in which the fish are processed. To many communities, this is a significant source of revenues, and borough managers are becoming increasingly interested in whether they are receiving their fair share of the fish tax.

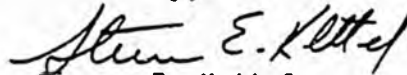
Often times, these cities have information concerning the processors that enter their jurisdiction and process fish, and in some instances, they possess detailed information concerning the amount or value of fish processed. With this information in hand, these managers have desired to share it with the Department to insure that the State's fish tax is being reported correctly and that their municipality is being properly credited for revenue sharing purposes. Prohibition against disclosure at the state level has frustrated city and state administrators alike in their efforts to collect all taxes due and properly share them among the effected communities.

HB 486 provides a mechanism for the Department of Revenue to share sufficient information with municipalities to allow for enhanced compliance with the new fish tax law at both the state and local level, while continuing to protect the sensitive information on the tax return. The Department of Revenue supports this legislation. The proposal applies to the following two classes of information and two classes of municipalities.

I. City/Boroughs which do not levy a tax on fish resources processed in their jurisdiction may request and receive from the Department only the names of the fisheries businesses which have reported fish processing activities for that city or borough on the State's fish tax returns. No financial information contained in the return will be disclosed.

II. City/Boroughs which levy a fish tax on the value of fish processed in their jurisdiction may request the Department to verify that values reported on their tax returns are substantially the same as values reported on the State's return. If the values are not the same, the Department will give the municipality a copy of the State tax return, provided the municipality safeguards the information and uses it only for tax collection purposes.

Sincerely,



Steven E. Kettel
Director
Income & Excise Audit
(907) 465-2320

cc:Rep. Adelheid Hermann

88-66

SENATE COMMITTEE REPORT

FURTHER

~~RESOURCES~~ *waived*
FINANCE

4/20/88

DATE TURNED INTO OFFICE _____

Mr. President:

C&RA

Committee considered HB 486

fisheries tax returns; efd

and recommended

replace with _____ CS _____) same title
 or adopt _____ CS _____) new title

attached amendment(s) and

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

letter of intent adopted _____

Committee attached or adopted fiscal note(s)

new updated or previous

zero fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

Chairman signature and recommendation

C&RA Waived

H B

4 9 3

HOUSE COMMITTEE REPORT

(11)

Date referred: 3/28/88

FURTHER REFERRALS:

DATE: 4/8/88

The Finance Committee has considered HB 493

"An Act relating to marine garbage collection; and providing for an effective date."

RECOMMENDS:

- replace with CS HB493 (CERA) the same title
- attached amendment(s) a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):

- fiscal impact
- zero fiscal note
- zero with analysis
- same as previous fiscal note published 3/28/88
- same as previous zero fiscal note published _____

SIGNING DO PASS:

Adams Lee Adams

Harson Ray Durr

Goll Pete Goll

Boyer Mark Boyer

Wallis Ray Wallis

Frank Frank

Pourchat Pet Pourchat

SIGNING OTHER RECOMMENDATIONS:

Lee Adams
Chairman's signature

STATE OF ALASKA
1988 LEGISLATIVE SESSION

(1.1) HB 493
BILL VERSION: SHB 493 *Sam*
PUBLISH DATE: _____

FISCAL NOTE

REQUEST: _____

Revision Date: _____
Title: "An Act relating to marine garbage collection..effective date."
Sponsor: Herrmann & Sund
Requestor: _____

Agency Affected: Community & Regional Affairs
BRU: _____
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES		23.1	23.9	24.7	25.5	26.3
TRAVEL		2.0	2.0	2.0	2.0	2.0
CONTRACTUAL		3.0	3.0	3.0	3.0	3.0
SUPPLIES						
EQUIPMENT		1.0				
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		29.1	28.9	29.7	30.5	31.3

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND		29.1	28.9	29.7	30.5	31.3
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Jim Plasman, Deputy Director
Division: Municipal & Regional Assistance

Phone: 465-4750
Date: 3/25/88

Approved by Commissioner: [Signature]
Agency: Community & Regional Affairs

Date: 3/25/88

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

Position Title Grants Administrator		No. of Positions 1	Range/Step 17 A	Barg. Unit GGU
Time Status Part Time	Staff Months 6 months	Location Juneau		Election District
Type of Expenditure		Justification		
1	2	3		
Salary	17.4	This position will administer the grants program. The amount of work associated with the program does not justify a full time position.		
Benefits	5.7			
Premium Pay				
Other				
Total Personal Services	23.1			
Travel				
Contractual				
Commodities				
Equipment				
Other				
Total Cost				
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004			
GF Program Receipts	1005			
Other				

**Request For
New Position**

Agency Community & Regional Affairs
 BRU Local Government Assistance
 Component Local Government Support

Page 1 of 1
 Revised Date

FY 89

Original sponsors: Herrmann and Sund

1 IN THE HOUSE BY THE COMMUNITY AND REGIONAL
AFFAIRS COMMITTEE
2 CS FOR HOUSE BILL NO. 493 (C&RA)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FIFTEENTH LEGISLATURE - SECOND SESSION
5 A BILL
6 For an Act entitled: "An Act relating to marine garbage collection; and
7 providing for an effective date."
8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:
9 * Section 1. AS 44.47 is amended by adding a new section to read:
10 ARTICLE 12A. MARINE GARBAGE COLLECTION GRANTS.
11 Sec. 44.47.750. MARINE GARBAGE COLLECTION FUND. (a) There is
12 established in the department the marine garbage collection fund as an
13 account in the general fund. The fund consists of money appropriated
14 to it. Money in the fund may be used to make grants to municipalities
15 and unincorporated communities as provided for in AS 29.60.140, for
16 the collection of marine garbage in state water.
17 (b) The department shall adopt regulations for the determination
18 of entitlement to marine garbage collection grants, application and
19 approval of grants, and administration of grants.
20 (c) In making grants under this section, the department shall
21 consider
22 (1) the number of vessels engaged in commercial fishing or
23 related activities, including processing, in water adjacent to or
24 within the applicant's jurisdiction;
25 (2) the volume of garbage that is dumped by vessels in the
26 area or that drifts into the area after being dumped by vessels oper-
27 ating outside state water;
28 (3) the effect of marine garbage on the environment in the
29 area;

1 (4) other resources available to the applicant; and
2 (5) other factors that the department establishes by regu-
3 lation that are relevant to a determination of the applicant's need
4 for financial assistance to alleviate the locality's marine garbage
5 problem.
6 * Sec. 2. This Act takes effect immediately under AS 01.10.070(c).

STATE OF ALASKA

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

MUNICIPAL & REGIONAL ASSISTANCE DIVISION

(1,2) HB 493

STEVE COWPER, GOVERNOR

949 E. 36th AVENUE, SUITE 400
ANCHORAGE, ALASKA 99508-4302
PHONE: (907) 561-8586

P.O. BOX 348
BETHEL, ALASKA 99559-0348
PHONE: (907) 543-3475

P.O. BOX 10041
DILLINGHAM, ALASKA 99576-1041
PHONE: (907) 842-5135

1514 CUSHMAN STREET, ROOM 210
FAIRBANKS, ALASKA 99701-8286
PHONE: (907) 452-7128

P.O. BOX BH
JUNEAU, ALASKA 99811-2110
PHONE: (907) 465-4750

710 MILL BAY RD.
KODIAK, ALASKA 99615-6340
PHONE: (907) 486-5736

P.O. BOX 350
KOTZEBUE, ALASKA 99752-0350
PHONE: (907) 442-3696

P.O. BOX 41
NOME, ALASKA 99782-0041
PHONE: (907) 443-5457

March 25, 1988

Position Paper

RE: House Bill 493

SPONSOR: Representative Herrmann

Program Effects:

This bill would establish in this department a grants program for municipalities and unincorporated communities to be used for the collection of marine garbage in state water.

Comments:


The problems this bill is designed to address are serious ones, particularly in the Bristol Bay region. The intent is apparently to provide easier access for fishing boats and processors to waste disposal systems in coastal communities to encourage lawful disposal of marine garbage, rather than unlawful dumping. The method adopted by this bill is to give grants to municipalities which may be expected to provide directly, or contract for, floating collection barges, which may then transport the garbage to an appropriate waste disposal site.

This department has less expertise in the areas of waste disposal and environmental quality that are essential to the solution of this problem than, for instance, the Department of Environmental Conservation. However, that department does not currently administer operating grants programs of this nature and is not prepared to go into the grants area. The nature of the proposed program will require a close coordination of effort with DEC, as this department does not have the resources to independently evaluate some of the criteria listed in the bill for consideration in making the grants.

HB 493
March 25, 1988
Page Two

The department has one technical concern that should be addressed. While the bill would make unincorporated communities eligible to receive grants, an unincorporated community by its nature is unable to receive a grant. The department would recommend specifying eligible entities within such a community to receive funds under the program and would propose the approach taken in the State Revenue Sharing Program at AS 29.40.160 as a model.

The impacts of marine garbage collection on communities will become even greater with the recent adoption of federal law dealing with the disposal of marine garbage. This bill provides a means to assist municipalities deal with those impacts. However, while the department is sympathetic to these goals, because of the current revenue situation, it is unable to support the bill.


Marty Ruetherford
Acting Deputy Commissioner



STATE OF ALASKA
OFFICE OF THE GOVERNOR
BILL ANALYSIS

② HB 493

MAR 22 1988

DEPARTMENT DEC	DIVISION	BILL NUMBER HB 493	SPONSOR Herrmann & Sund
SHORT TITLE OF BILL Relating to marine garbage collection			
DEPARTMENT POSITION The Department supports the objective of the bill.			
PREPARED BY Amy D. Kyle <i>adkyle</i>	DATE 2/29/88	COMMISSIONER'S SIGNATURE <i>[Signature]</i>	DATE 3/1/88

SUMMARY

OTHER AGENCIES AFFECTED BY BILL DCRA	CONSTITUENT GROUP(S) AFFECTED BY BILL
ORGANIZATIONAL SUPPORT FOR BILL	ORGANIZATIONAL OPPOSITION TO BILL

FISCAL IMPACT: NONE FISCAL NOTE ATTACHED

BACKGROUND/LEGISLATIVE INTENT
The bill is intended to address long-standing problems with accumulation of garbage from fishing boats in Bristol Bay. At present, garbage collection facilities are not easily accessible to fishing boats.

ANALYSIS OF BILL/PROGRAM EFFECTS
The bill would create a program in the Department of Community and Regional Affairs to make grants to communities for garbage collection.

The criteria appear to be sound. The need for garbage collection services is real. The bill would address the absence of a private enterprise.

No fiscal impact on DEC.

AMENDMENTS PROPOSED

Bristol Bay Solid Waste Task Force

April 10, 1985 - Attendance

<u>NAME</u>	<u>ADDRESS</u>	<u>ORGANIZATION</u>
Marion Adams	Pouch A, Dillingham	Alaska Department of Environmental Conservation
John M. Pearson	Box 169, Dillingham	City of Dillingham
Roland D. Moody	Aleknagik	Moody's
Jeff Srakde	Box 199, Dillingham, AK	Alaska Department of Fish and Game
Daniel Nanalook	P.O.Box 109, Togiak, AK	Togiak Natilus, Ltd.
Henry Pavian	P.O.Box 56, Togiak, AK	Togiak Community Council
Jim Barr	4019 21st Ave., W., Seattle, WA	Icicle Seafoods
Henry Shade	P.O. Box 2, Dillingham, AK	Bristol Bay Area Health Corporation
Arla Tracy	P.O.Box 433, Pilot Pt., AK	Pilot Point Village Council
Don Penner	Box 189, Naknek, AK	Bristol Bay Borough
Earl J. Gattodor	Box 179, Naknek, AK	Patterson's
John M. Schibel	P.O.Box 504, Dutch Harbor, AK	Dutch Harbor Seafoods
Doug Donegan	P.O. Box 0, Juneau, Alaska, 99811-1800	Department of Environmental Conservation
Mark Lisac	Box 10201, DLG	United States Fish & Wildlife Service
Jeff Smith	DLG	Public Health Service
J.C. Hiles		Fisherman
Harvey Samuelson		

(3) HB 493



Alaska State Legislature

House of Representatives

Committee on
Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811
(907) 465-4833

March 22, 1988

TO: Rep. Henry Springer, Chairman HCRA

FROM: David C. Harrison, P. A., HCRA *DCH*

Subject: BILL REVIEW - HB 493 "An Act relating to marine garbage collection; and providing for an effective date."

Section 1. AS 44.47 is amended to add a new section .750 establishing a program within the DCRA to make grants to local communities for marine garbage collection.

DCRA is required to adopt regulations for determining marine garbage collection grants, applications, approvals of grants as well as administering grants for garbage collection to local communities so affected.

Criteria as related in this bill are most appropriate.

There is a need to provide marine garbage collections and to have marine garbage facilities in those commercial fishing areas that have short but intensive commercial activities.

Although some land based canneries have their own landfill and take care of their own garbage, many floater processors that do not have land based operations have a problem with disposing garbage and/or what to do with it.

Local garbage is not the only problem. high seas garbage also is noted, such things as floating nets foreign/local that are lost on the high seas, plastics of all kinds that remain afloat so that birds and seamamals are caught and die as a result of entanglement in this type of gear.

Alaska State Legislature

REPRESENTATIVE
ADELHEID HERRMANN

P O BOX 83
NAKNEK ALASKA 99833
(907) 248-4495

While in Juneau
BOX V
JUNEAU ALASKA 99811
(907) 485 4942 485 4943

CO CHAIRMAN
RESOURCES COMMITTEE

MEMBER
COMMUNITY & REGIONAL
AFFAIRS COMMITTEE

House of Representatives

MEMORANDUM

DISTRICT 26

ADAK
AKUTAN
ALEKNAGIK
ATKA
BELKOFSKI
CLARK S POINT
COLD BAY
DILLINGHAM
DUTCH HARBOR
EGEGIK
EKUK
EKWOK
FALSE PASS
IGIUGIG
ILIAMNA
KING COVE
KING SALMON
KOKHANOK
KOLIGANEK
LEVELOCK
MANOKOTAK
NAKNEK
NELSON LAGOON
NEWHALEN
NEW STUYAHOK
NIKOLSKI
NONDALTON
PEDRO BAY
PILOT POINT
PORT ALSWORTH
PORT HEIDEN
PORT MOLLER
PORTAGE CREEK
SAND POINT
SOUTH NAKNEK
SQUAW HARBOR
ST GEORGE
ST PAUL
TOGIAK
TWIN HILLS
UGASHIK
UNALASKA

TO: Jim Plasman, Deputy Director
Division of Municipal and Regional Assistance
Community and Regional Affairs

FROM: Representative Adelheid Herrmann

DATE: March 22, 1988

SUBJECT: HB 493 and HB 494; establishing marine
garbage collection fund and an appropriation.

HISTORY:

Marine garbage collection and fish processing waste became a big issue in my district in 1981. Concerned citizens recognized a very dramatic increase in the dumping volume of unground viscera, heads, whole fish, and other processing waste. The problem grew to a wider magnitude when combustible and non-combustible solid waste surfaced in drift and setnets, and on beaches. In addition, a common complaint brought to my attention from many vessel operators, was the entangling problem of plastic strapping on vessel propellers. This segment of the overall garbage issue brought forth an organized effort to involve the State's regulatory agencies, primarily DEC.

The problem was first brought to the attention of the Department of Environmental Conservation back in 1982. Through the efforts of the Bristol Bay Borough, DEC, and other local communities, the Bristol Bay Solid Waste Task Force was formed. This task force organized fish and solid waste disposal recommendations. This information is included with the back-up material.

One proposed solution to the on-going problem for Bristol Bay was to permanently station a representative of the DEC office in Dillingham. The representative was later moved to Naknek because most of the processors were located in the Naknek area. I believe this was done in 1983.

Many suggestions to address this marine garbage issue were voiced through local and involved organizations, which is also provided in the packet. In 1984 two of the suggestions included; a fish waste disposal plan for Bristol Bay, and a garbage scow contracted or responsible to the State to haul garbage to shore for disposal at municipal dump sites. This brings forth the question of landfill capacity within the municipalities.

A garbage collection pilot project was one avenue we did pursue in 1985, but this proposal was vetoed by the Governor. Here we are again, trying to address this extreme and monumental problem both in my district as well as in other coastal areas of our state. I am aware these \$200,000 funds will only be a beginning in alleviating this issue. However, there is an extreme necessity to begin developing a garbage collection scheme now, as it is affecting our natural resources both on the state and national level. Recently Congress passed a bill which I monitored closely. "33 U.S.C. 1901-1911, as amended, requires that ports and terminals in the United States provide reception facilities for certain pollutants and garbage from ships"; and with the passage of this bill on the federal level requiring marine garbage to be brought on shore, I can see rural coastal communities needing assistance real soon with this issue.

I hope this information and the attached material will be of help in your positive position paper on the bill.

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BACKGROUND ON FISH AND SOLID WASTE DISPOSAL IN BRISTOL BAY

Fish and Solid Waste Disposal in Bristol Bay during fishing seasons is a problem. 1983 was no exception. The amount of pollution caused by dumping untreated fish and solid waste into Bristol Bay is almost impossible to determine. 1983 found 29 land processors and 38 floating processors operating in Bristol Bay. Also included are the estimated 400 to 500 support vessels. Add to that approximately 1800 gill net vessels and support vessels for approximately 900 set net operations. 39.1 million salmon were harvested in Bristol Bay.

This information is presented to give you an idea of how much disposable waste can be generated by the fishing industry. Fish heads, viscera, solid waste dumped into the rivers of Bristol Bay can be a monumental problem if the State fails to prevent pollution.

FISH AND SOLID WASTE DISPOSAL RECOMMENDATIONS

1. A Fish and Solid Waste Disposal Program for the 1984 Fishing Season to be funded to accomplish the following goals:
 - a) Plan and implement a Bristol Bay Fish and Solid Waste Disposal Plan for the 1984 fishing season which would allow the Department of Environmental Conservation to station a permanent representative in Bristol Bay.
 - b) Send all processors, support vessels and fishermen information about bilge oil, sewage and fish waste regulations that will be in effect in 1984.
 - c) Increase the man days of actual on-site inspection and patrols of shore-based and floating processors. (ADEC presence is a must during the height of the season.)
 - d) Re-establish contact with enforcement and judicial officers regarding ADEC mission in Bristol Bay as it relates to fish and solid waste disposal.
 - e) Have ADEC establish a Fish and Solid Waste Disposal Task Force of concerned parties to address fish and solid waste disposal problems in Bristol Bay and make policy recommendations for legislative and administrative consideration.

MEMORANDUM

State of Alaska

TO: Bob Martin
Deputy Director, EQO

DATE: September 14, 1983

FILE NO:

TELEPHONE NO: 274-2533

CEA
FROM: Jim Allen
Anchorage/Western
District Supervisor

SUBJECT: Bristol Bay

Norman Stadem visited this office on September 12, 1983 regarding the pollution of Bristol Bay during the 1983 Salmon Season. Mr. Stadem is a economist by profession, a professor at APU and a member of the board of the Alaska Independent Fisherman's Marketing Association Cooperative (AIFMAC) and a fisherman. Mr. Stadem is representing AIFMAC during his visit. The AIFMAC has a membership of 500 plus fishermen.

We reviewed my report to Keith Kelton dated August 18, 1983 on the same subject.

Mr. Stadem is still concerned with the type and volume of pollution to the bay and cited several examples where fishing boats had become disabled and were required to be towed to shore to untangle plastic binding material from the propellers. This material is used to bind fibers used for packing processed fish.

We both agreed that in-addition to reducing pollution that a greater distance between boats would tend to reduce incidental pollution from the ships and boats.

It is my recommendation that we expand beyond our regulatory role and into one where we can obtain cooperation from all departments, organizations, and individuals involved in Bristol Bay.

DEC should form a committee to form a task force on the problem and make recommendations for implementation of a program to further reduce pollution. Formation of the committee and members of the task force should include but not limited to the following:

1. The Departments of Fish and Game and Public Safety, Fish and Wildlife Protection
2. DEC, Seafood and Animal Health
3. Alaska Independent Fisherman's Marketing Association Cooperative

Bob Martin
Page 2
September 14, 1983

5. Local Native Associations
6. City of Dillingham
7. Western Alaska Commercial Fisherman's Association
8. North Pacific Processors Association
9. Alaska Fisherman's Journal

Grants are needed to establish local landfills and collection points located where waste oil and refuse can be stored. The committee should start work on plans for a task force in January or February 1984.

JCA/MSZ

cc: Keith Kelton
Norman Stauen
Jeff Skrade
Joe Campbell

BIO ECONOMIC RESEARCH AND ANALYSIS

NORMAN STADEN
ECONOMIST

1828 EAST 26TH AVENUE
ANCHORAGE, ALASKA 99504
(907) 272-0908

September 13, 1983

Mr. James C. Allen
Anchorage/Western District Supervisor
Alaska Department of Environmental Conservation
437 E Street, Suite 200
Anchorage, AK. 99501

RECEIVED

SEP 15 1983

ENVIRONMENTAL CONSERVATION
REGION II

Dear Mr. Allen:

This is to affirm my impression of the positive results of our meeting yesterday in your office regarding the solid fish waste disposal problem in the Naknek/Kvichak Rivers during the Sockeye salmon fishing season. There has been a dramatic increase in the volume of unground viscera, heads, and whole fish and other processing waste during the past two years. In my capacity as a representative of the Alaska Independent Fishermen's Marketing Association, Coop. I heard from a large number of the fishermen in respect to this problem. The concern was unanimous--the problem has gotten out of hand, and A.I.F.M.A.Coop must bring the problem to the attention of regulatory agencies for resolution. Obviously, of primary concern is the economic cost transferred to the fishermen by those processors who dump without grinding these fish wastes. Fishing productivity is adversely impacted since productive time is wasted in disentangling this material, especially viscera, from the nets. There is a concern also for the possible health hazard of infection, such as blood poisoning or fish poisoning, from constantly handling the decomposing fish wastes. Of no small significance is the detrimental impact on morale.

We realize that waste disposal is a fundamental problem in a primary processing industry such as salmon fishery. However, ADEC has essentially solved this problem in the case of shore-based processors by requiring that all fish wastes be ground before dumping it into the water-ways. The problem, with respect to the fishermen, is more acute in the case of floating processors because they dump directly in the prime fishing areas. Thus, there is no chance of some of the material washing ashore, where it decomposes or is eaten by birds and animals, rather than being caught in gill nets.

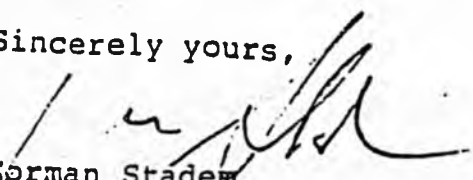
Your suggestion that ADEC take the initiative in organizing a meeting of concerned parties to discuss the general problem of waste disposal into the Bay, is taken as a positive step in seeking a solution to this increasing problem. We look forward to hearing more on this in the near future.

Mr. James C. Allen

-2-

September 13, 1983

Sincerely yours,



Norman Stader
Assemblyman, AIFMA Coop

cc: State Rep. Adelheid Herrmann
Mr. Mitch Kink, Gen. Mgr., AIFMA Coop

MEMORANDUM

437 E. Street, Suite 200

State of Alaska

Anchorage, Alaska 99501

TO: Keith Kelton
Director, EQO

DATE: August 18, 1983

FILE NO:

TELEPHONE NO: 274-2533

FROM: James C. Allen
Anchorage/Western
District Supervisor

SUBJECT: Disposal of Salmon and
Solid Waste in Bristol
Bay 1983

Based on my 1982 observations, the following plan was initiated for the 1983 season:

1. Five-thousand, six-hundred fisherman and two-hundred and eighty-eight processors applied to fish and process herring in Bristol Bay for the 1983 season. Our main concern and that of Fish and Game was oil pollution from the fishing and processing vessels. Herring roe is very susceptible to the effects of petroleum products. Letters were sent to all processors and made available to processors when they reregistered locally with the Department of Fish and Game. Ten man days was spent on the Fish and Wildlife vessel Vigilant for enforcement purposes. No oil pollution was observed. I feel this was due to the fact that we sent out the letters, we were there and excellent weather conditions. Last year ten fishing boats were sunk or driven on shore by bad weather.

2. Bristol Bay Salmon Processors are located at:

<u>Location</u>	<u>Land</u>	<u>Floating</u>	<u>Tenders</u>	<u>Freighters</u>
Dillingham	6	-	-	-
Queen Slough	1	-	-	-
Clarks Point	-	8	-	-
Ekuk	1	1	-	-
Naknek	5	21	48	17
South Naknek	3	-	-	-
Egegik	1	2	-	-
Pederson Point	1	-	-	-
Togiak	1	-	-	-
TOTAL	19	32	48	17

This represents the majority of the plants and processors in the immediate area. Tenders and freighters were only counted in the area off of the Naknek River. It is difficult to estimate the amount of fish waste produced from the 36 million red salmon that were processed. Kings, silvers and other salmon are not included in this figure. It is also difficult to estimate the amount of solid waste generated from the processing and the crew.

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Again, letters were sent to all processors and copies were provided to Fish and Game offices in Dillingham and King Salmon for distribution.

Ten man days were spent during the last two weeks in June to primarily inspect land based plants for water, sewage and fish waste discharge systems. Ten man days were spent the first two weeks in July to board floating processors for sanitary, solid and fish waste discharge.

On two occasions, The Bristol Bay Borough made available their fire boat. Within three hours we were able to check the sterns of seventy-eight vessels. Fish and Wildlife Protection provided a boat ride to Queen Fisheries which eliminated an air charter cost.

Meetings were held with the Magistrates in Naknek and Dillingham and letters were sent to reconfirm our conversation and included regulations, waste discharge requirements for land and floating processors and types of misdemeanors. This information was also provided to Fish and Wildlife personnel in Dillingham and Naknek.

Observations:

1. Everyone contacted regarding our 1983 activities to reduce pollution in Bristol Bay were very favorable. Other than the improved esthetic effects to the water and beaches, there were other positive benefits, i.e, fish-heads no longer effected set nets; fish intestines no longer effected drift nets; plastic bands on fiber etc., no longer fouled propellers. *Question -*
2. Everyone contacted that had been in the Bay had noted a decrease in the amounts and types of solid and fish waste which was also our own observations.
3. Sixteen NOVs were issued in the four week period and essentially dealt with improper fish waste discharge.
4. Nine of the twenty-one floating salmon processors in the Naknek area had installed incinerators to reduce the volume of combustible waste.
5. As the results of our letter and activities, the refuse collector contractor for the Bristol Bay Borough instituted a refuse collection service by boat for salmon processors off of the Naknek River. *?
Sum
08/13*

Recommendation:

To continue the present program for the 1984 season however, this is in conflict with the Regional and District work plan and the approximately 40% decrease in travel budget for the Anchorage/Western District.

274-2533
SCRO
437 E Street
Suite 200
Anchorage, AK
99501

June 6, 1983

Dear Seafood Processors:

This is further to our April 18, 1983 letter of information regarding oil, sewage and solid waste pollution of Bristol Bay.

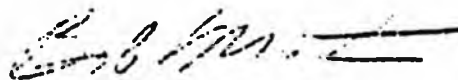
All processing plants have Seafood Processing Wastewater Permits. These permits require grinding Seafood wastes to a size that is capable of passing through a 0.5 inch mesh screen. The effluent seafood wastewater is to be discharged at a depth equal or greater than mean lower low water for shore based plants. Floating Seafood processors wastewater effluent shall be discharged at a depth equal to or greater than 42 feet below mean lower low water.

Acceptable methods of solid waste disposal are to incinerate combustibles and compact and store non-combustibles for transportation to an approved landfill site in Alaska or outside. The Department will have personnel in the Bristol Bay area for the Salmon processing season to assist operators in meeting these requirements and to enforce state regulations. Violations of provisions of the oil, wastewater and solid waste regulations will be subject to appropriate enforcement action.

Your cooperation will assist us to protect the environment of Bristol Bay.

If you have any questions regarding this letter please contact this office at 274-2533.

Sincerely,



Bob Martin
Regional Supervisor

BH/JCA/ms17