

ALASKA LEGISLATURE SPECIAL COMMITTEE/SUBJECT FILES 8672
2215 SCOMM 87: HOUSE SPECIAL COMMITTEE ON FISHERIES, 1993-94 819

STATE OF ALASKA
1988 LEGISLATIVE SESSION

BILL VERSION: 2nd SSHB 314

PUBLISH DATE: _____

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: "An act..fisheries business taxes
to municipalities..effective date."
Sponsor: Herrmann & Cato
Requestor: _____

Agency Affected: Community & Regional Affairs
BRU: Local Government Assistance

Components: Local Government Support

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						
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REVENUE						
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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: 3/22/88

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

Date: 3-22-88

Distribution (by preparer):

Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

page ____ of ____

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	
		Justification This position will administer the tax sharing program. The amount of work associated with the program does not justify a full time position.			
Type of Expenditure					
1	2				3
Salary	17.4				
Benefits	5.7				
Premium Pay					
Other					
Total Personal Services					
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

ATTACHMENT C
19AAC 33.005 - .070

(13) "program" means a program of state aid under AS 29.60 which is implemented by this chapter;

(14) "public purpose" means a purpose the objective of which is to promote the public health, safety, and general welfare of the residents of an unincorporated community or municipality of the state. (Eff. 8/20/81, Reg. 79; am 10/18/87, Reg. 104)

Authority: AS 29.60.070 AS 44.47.050
AS 29.60.180 AS 44.47.980

Editor's Note: Because of a reorganization of the Department of Community and Regional Affairs, reference in this section to the 'division of local government assistance' has been changed to refer to the 'municipal and regional assistance division', as of Register 98, July, 1986, under authority of AS 44.62.125 (b)(6).

CHAPTER 33. OFFSHORE FISHERIES BUSINESS TAX REVENUE-SHARING PILOT PROJECT

Section

- 5. Pilot project established
- 10. Eligibility
- 20. Application procedure
- 30. Determination of population increase
- 40. Municipal cooperation
- 50. Appeal procedure
- 60. Allocation
- 70. Definitions

19 AAC 33.005. PILOT PROJECT ESTABLISHED. The one-time offshore fisheries business tax revenue-sharing pilot project authorized by line 24, p. 22 - line 6, p. 23, sec. 26, ch. 98, SLA 1985, is established and governed by this chapter. (Eff. 6/27/87, Reg. 102)

Authority: AS 44.47.050
Line 24, p. 22 -
line 6, p. 23, sec. 26,
ch. 98, SLA 1985

19 AAC 33.010. ELIGIBILITY. To be eligible for payment under this chapter, an applicant must

(1) be a municipality incorporated under the laws of the state;

(2) be located in the coastal area; and

(3) demonstrate significant impacts from the offshore fish-processing industry during the reference year. (Eff. 6/27/87, Reg. 102)

Authority: AS 44.47.050
Line 24, p. 22 -
line 6, p. 23, sec. 26,
ch. 98, SLA 1985

19 AAC 33.020. APPLICATION PROCEDURE. (a) The department will distribute applications to all potential applicants that the department believes might be eligible for assistance. Additional applications may be obtained from the department.

(b) In order to participate in the program, an applicant must submit a completed application to the department postmarked by March

15 of the application year, on an application form prescribed by the department.

(c) For good cause, the commissioner will, in his or her discretion, extend the application deadline. (Eff. 6/27/87, Reg. 102)

Authority: AS 44.47.050

Line 24, p. 22 –
line 6, p. 23, sec. 26,
ch. 98, SLA 1985

19 AAC 33.030. DETERMINATION OF POPULATION INCREASE. A municipality must include with its application an estimate of its population increase during fishing season which is reasonably related to the offshore fish-processing industry. The estimate must be certified by the mayor and adopted by the governing body of the municipality by resolution. The estimate must include an explanation of how it was determined and must be supported by relevant indices of population. Unverifiable, unsupported estimates will not be accepted. (Eff. 6/27/87, Reg. 102)

Authority: AS 44.47.050

Line 24, p. 22 –
line 6, p. 23, sec. 26,
ch. 98, SLA 1985

19 AAC 33.040. MUNICIPAL COOPERATION. A municipality and its officers and employees shall, upon request of the department, furnish available information and assistance required by the department in securing accurate information upon which to base the department's determinations. (Eff. 6/27/87, Reg. 102)

Authority: AS 44.47.050

Line 24, p. 22 –
line 6, p. 23, sec. 26,
ch. 98, SLA 1985

19 AAC 33.050. APPEAL PROCEDURE. The department will make a determination of eligibility and population of each applicant and mail the determination to the applicant by April 15 of the application year. An applicant may appeal a determination of eligibility or population to the commissioner. The appeal must be in writing to the commissioner and must be postmarked within 30 days after receipt of the determination. The appeal must include relevant evidence in support of the applicant's claim. The commissioner will review the appeal and notify

the applicant of the decision on the appeal within 30 days after receipt of the appeal. (Eff. 6/27/87, Reg. 102)

Authority: AS 44.47.050

Line 24, p. 22 –
line 6, p. 23, sec. 26,
ch. 98, SLA 1985

19 AAC 33.060. ALLOCATION. (a) The department will allocate money available for the offshore fisheries business tax revenue-sharing pilot project to each commercial fisheries management area in the proportion of the weight of commercial species processed offshore in that management area divided by the total weight of commercial species processed offshore statewide. For the purposes of this section, management areas R and O will be combined.

(b) One-half of each commercial fisheries management area allocation will be distributed equally among all eligible applicant municipalities in that area. The other half of the area allocation will be distributed to eligible applicant municipalities in that area proportionate to the population increase in each municipality divided by the total population increase of eligible applicant municipalities in that area. (Eff. 6/27/87, Reg. 102)

Authority: AS 44.47.050

Line 24, p. 22 –
line 6, p. 23, sec. 26,
ch. 98, SLA 1985

19 AAC 33.070. DEFINITIONS. In this chapter,

(1) "application year" means the state fiscal year for which a municipality submits an application for funding under this chapter;

(2) "coastal area" means the nine regions described in AS 44.19.155(a)(1) from which members of the Alaska Coastal Policy Council are chosen, as shown in Map A, set out following this section;

(3) "commercial fisheries management area" means an area established by the Alaska Department of Fish and Game for management and statistical reporting purposes under 16.05.251(a)(2) and as shown on Map B, set out following this section;



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ALASKA STATE LEGISLATURE
HOUSE OF REPRESENTATIVES
RESEARCH AGENCY

March 13, 1989

MEMORANDUM

TO: House Finance Fiscal Policy Subcommittee

FROM: Brad Pierce 
Legislative Analyst

RE: Fisheries Taxes, Licenses and Fees: Methods to Increase State Revenues
Research Request 89.255

You requested a succinct overview of the state's current tax, license and fee structure for fisheries. You asked for a discussion of key fiscal policy alternatives and their revenue implications.

BACKGROUND

According to Article VIII of the Alaska State Constitution, the fisheries resources of the state are a common property to be managed as a public trust.¹ However, recent research has shown that the state spends considerably more to support and manage fisheries than it receives in fishing related revenues.² From a fiscal policy perspective, the state is effectively paying the commercial fishing industry to harvest and sell public resources. In addition, the state's limited entry program has created enormous, virtually untaxed personal wealth in the fishing industry--the current estimated value of

¹Gordon S. Harrison, A Citizen's Guide to the Constitution of the State of Alaska, University of Alaska, Institute of Social and Economic Research, 1982, p. 68.

²Gordon Kruse, "An Overview of Alaska's Fisheries: Catch and Economic Importance of the Resources, Participants in the Fisheries, Revenues Generated, and Expenditures on Management," Alaska Department of Fish and Game, Division of Commercial Fisheries, March 10, 1987, p. 24. According to Mr. Kruse, public expenditures to support the commercial fishing industry totaled approximately \$67 million in FY 86, while the industry generated a total of about \$47.3 million in state revenues (including pass-throughs) during the same year. Since FY 86, the value of the commercial harvest has increased substantially, but fisheries business tax credits to processors have reduced net fishing revenues.

transferrable limited entry permits is approximately \$1.2 billion.³ In a period of revenue shortfalls, this situation raises questions about the equity of state taxation policy and the appropriate level of public expenditures to support fisheries vis-a-vis taxes and fees paid by the industry. Potential legal problems loom as well. Recent Alaska Supreme Court decisions confirmed the state's right to grant exclusive access to public resources only as long as an adequate rent is collected.⁴

The ex-vessel value of the 1987 Alaska commercial fisheries catch (FY 88 tax year) was \$1.11 billion. Approximately 3.3 percent (\$36.6 million) of the value was paid to the state in taxes, licenses and fees by the commercial fishing industry. Of that amount, approximately \$8.4 million was passed through directly to the industry--\$5.7 million in Salmon Enhancement Tax receipts to the regional aquaculture associations and \$2.7 million in Seafood Marketing Assessment receipts to the Alaska Seafood Marketing Institute (ASMI). An additional \$7.9 million in Fisheries Business Tax receipts was passed through to cities and boroughs, leaving \$20.3 million (1.8 percent of ex-vessel value) in unrestricted state revenues. The state received \$4.4 million from sportfishing license sales and \$15.2 million in restricted federal (Dingell-Johnson) funding in FY 88.

OPTIONS FOR INCREASING REVENUES FROM FISHERIES

Table 1 provides an overview of Alaska's fisheries revenue sources. Several of these sources can be eliminated as options for significantly increasing state revenues. The Alaska Net Income tax is the same for all corporations operating in the state. The Salmon Enhancement Tax and Seafood Marketing Assessment are voluntary taxes. Increases in fish sales or Fisheries Business License fees would not generate significant revenues. Increasing commercial fishing license fees could discourage participation by residents in part-time fisheries (e.g., halibut). Assessing vessel license fees on a size basis would entail high administrative costs.

³Rick Focht, research analyst, Commercial Fisheries Entry Commission (CFEC), personal communication, March 1989.

⁴See Trustees for Alaska v. State and Kenneth Owsichuk v. State of Alaska, Guide Licensing and Control Board.

TABLE 1
STATE OF ALASKA REVENUES FROM NATURAL RESOURCES IN FY 88: COMMERCIAL AND SPORT FISHING

REVENUE SOURCE	FY 88 REVENUES			RATE OR METHOD OF REVENUE GENERATION	APPLICABLE STATUTES	LAST MAJOR CHANGE TO STATUTES	TAX CREDITS OR ADJUSTMENTS
	GROSS REVENUES	SPECIAL FUNDS	GENERAL FUND				
STATE REVENUE							
TAXES							
Alaska Net Income Tax	\$53,032		\$53,032	Tax based on the entire taxable income derived from sources within the state on a progressive scale from 1%-9.4%	AS 43.20.011-.350	Ch 116, 117 SLA 1981 repealed separate accounting	Education Tax Credit AS 43.20.014
Fisheries Business Tax					AS 43.75.015-.140	Ch 79 SLA 1986 established Fisheries Business Tax Credit	Fisheries Business Tax Credit AS 43.75.032 Fisheries Business Education Tax Credit AS 43.75.018
Established Commercial Fisheries							
Canned Salmon-Shorebased	3,683,603		3,683,603	4.5 % of purchase value			
Shorebased	9,385,110		9,385,110	3.0 % of purchase value			
Floating	7,660,522		7,660,522	5.0 % of purchase value			
Developing Fisheries							
Shorebased	591,310		591,310	1.0 % of purchase value			
Floating	950,595		950,595	3.0 % of purchase value			
Pre FY 81 Adjustment	(7,707)		(7,707)				
Salmon Enhancement Tax					AS 43.76.010-.015	15 Ch 117 SLA 1981 allowed termination of tax upon vote of regional association members	
Prince William Sound	1,273,035		1,273,035	2 % of exvessel value of salmon			
Cook Inlet	2,276,967		2,276,967	2 % of exvessel value of salmon			
Northern Southeast	1,269,368		1,269,368	3 % of exvessel value of salmon			
Southern Southeast	872,032		872,032	3 % of exvessel value of salmon			
Penalty and interest (statewide)	77,388		77,388				
Seafood Marketing Assessment	2,669,877		2,669,877	0.3 % of purchase value for processors purchasing > \$50,000/yr. of fisheries products.	AS 16.51.120-.140	Ch 129 SLA 1986 and Ch 95 SLA 1987 made ASMI budget dependant on increasing assessment rate	
SALES							
Confiscated Fish Sales	19,703		19,703				
Test Fish Sales	849,110	849,110					
FEES							
Commercial Fishing Licenses	1,502,797	1,040,688	462,109	varies from \$30/yr. residents to \$90/yr. nonresidents	AS 16.05.480	7 Ch 105 SLA 1977 required registration of all fishing vessels	

TABLE 1 (Continued)
STATE OF ALASKA REVENUES FROM NATURAL RESOURCES IN FY 88: COMMERCIAL AND SPORT FISHING

REVENUE SOURCE	FY 88 REVENUES			RATE OR METHOD OF REVENUE GENERATION	APPLICABLE STATUTES	LAST MAJOR CHANGE TO STATUTES	TAX CREDITS OR ADJUSTMENT
	GROSS REVENUES	SPECIAL FUNDS	GENERAL FUND				
Sportfishing Licenses	\$4,392,190	\$4,392,094	\$96	varies from \$10/yr. resident sport fishing to \$96/yr. nonresident hunting/fishing	AS 16.05.340		
Limited Entry Permits	3,470,195		3,470,195	varies by fishery from \$10/yr. resident \$750/yr. nonresident	AS 16.43.160	3.4 Ch 22 SLA 1985 set fees for low-income residents	
STATE SUBTOTAL	\$40,989,127	\$6,281,892	\$34,707,235				
FEDERAL REVENUES (Restricted)							
Dingell-Johnson Funds	15,196,539	15,196,939		excise tax on sport fishing gear, import tariffs and retail fuel tax	Federal Aid in Sport Fish Restoration Act		
TOTAL REVENUES	\$56,186,066	\$21,478,831	\$34,707,235				

NOTES:

1. Revenue data were obtained from the Alaska State Accounting System (AKSAS) by the the Alaska Department of Revenue, Research Section and from the Income and Excise Tax Division.
2. Special funds include: Test Fishing Fund, Fishermen's Fund and Fish and Game Fund.
3. Fisheries Business License (AS 43.75.011) revenues (\$11,925 in FY 88) are included in the Fisheries Business Tax categories. Of the \$22.3 million in FY 88 Fisheries Business Tax revenues, \$7.9 million was distributed to municipalities via the Shared Taxes program.
4. Sportfishing license revenues have been separated from combination (e.g., hunting/fishing) license revenues in this table.
5. Vessel license fees (AS 16.05.495-.530) are included in the Limited Entry Permit totals.
6. Direct state revenues from fishing also include an indeterminate portion of Marine Fuel Tax revenues (\$5,294,414 in FY 88), which have not been included in this table.

Prepared by the House Research Agency, February 1989 (89.255)

Thus, the following options have been selected as offering the most immediate practical opportunities for significantly increasing revenues from Alaska's fisheries resources and spreading the burden among processors, commercial and sport fishermen:

- Increase enforcement of Fisheries Business Tax collections;
- Limit the Fisheries Business Tax Credit;
- Increase Limited Entry Permit renewal fees and tax the value of permits;
- Increase Sportfishing License fees.

Fisheries Business Tax Enforcement

The Fisheries Business Tax (commonly referred to as the "Raw Fish Tax") is charged to persons engaged in fisheries businesses who purchase fish for processing or who transport fish out of the state for subsequent sale or processing. Rates are based on the ex-vessel value of the catch and differentiated by product, the maturity of the fishery and whether processors are shore-based (and therefore pay local property taxes) or floating. The tax was substantially increased for all processing types in 1979, with developing commercial fish operations assessed at a lower rate to spur development in new fisheries. Floating processors were assessed the highest rate to encourage permanent shore-based facilities and local employment. The Department of Revenue (DOR) is required (by AS 43.75.130 under the Shared Taxes Program) to refund 50 percent of Fisheries Business Tax receipts to the communities and boroughs where the taxes were collected. FY 88 Fisheries Business Tax revenues totaled \$22.3 million, of which \$7.9 million was shared with communities and boroughs.

One of the most effective means to increase Fisheries Business Tax revenues is to **provide for greater enforcement** of existing laws to prevent widespread cheating on records of fish purchases and tax reports among processors operating in Alaska. According to Captain Phillip Gilson, enforcement commander, Division of Fish and Wildlife Protection, his agency has uncovered over \$1.2 million in uncollected state revenues during the past year in cases pending in Dutch Harbor and Fairbanks. Additional cases in Anchorage involve 1.4 million pounds of unreported herring and 1.9 million pounds of salmon. A recent indictment in Cordova involves 190 tons of unreported herring. Auditors in the DOR believe that this is just the tip of an iceberg of unreported revenues.⁵ The DOR FY 90 budget contains a \$70,000 increment for increased

⁵Steve Kettel, director, Income and Excise Tax Division, personal communication, March 1989.

auditor coverage of Fisheries Business Tax returns, which is expected to result in at least \$1 million in additional state revenues.⁶ Increases in the Division of Fish and Wildlife Protection budget for apprehending processors who under-log fish catches or purchases and otherwise cheat on their taxes would undoubtedly yield similar results.

Sunset of the Fisheries Business Tax Credit

The legislature passed the Fisheries Business Tax Credit in 1986 for capital investments made through December 31, 1989, with credits to be taken through the 1991 tax year. This program allows processors a credit of up to 50 percent of their annual Fisheries Business Tax liability for approved capital expenditures that 1) increase product diversity, production efficiency or capacity, or improve product quality at a shore-based fisheries business facility in Alaska, or 2) contribute to the development of a cooperative seafood industrial park in Alaska.⁷ To date, the DOR has approved \$135.8 million in applications for 1987-89 credits, which may amount to as much as one-third of the assessed value of shore side processing plants in Alaska.⁸

According to the DOR, this program cost the state \$6.7 million in foregone revenues during FY 88 and is estimated to cost a total of \$38.8 million over the life of the existing program.⁹ As is frequently the case with tax credits, this program has had unintended consequences. The major problems identified by various researchers are that it is not specific enough in terms of the types of capital expenditures allowed as credits, nor is there any incentive to concentrate on developing species.¹⁰ According to the DOR, the credit program rewards economically strong processors (by allowing them to write off their expansion costs against their state tax liability over three

⁶Vincent D. Wright, et al., "Revenue Alternatives: Excise Taxes, Fisheries Taxes, Licenses and Permits," January 1989, p. 10.

⁷Note that the Fisheries Business Tax distribution to communities and boroughs is not affected by the credit as it is applied solely to the state's share of revenues.

⁸John Hansen, audit office supervisor, DOR, Income and Excise Tax Division, personal communication March 1989. Richard Rainery, Senate Advisory Council Memorandum 88-003324, November 22, 1988, p. 2.

⁹The DOR estimates the Fisheries Business Tax Credit will cost the state \$14.4 million in FY 89 and \$8.9 million in both FY 90 and FY 91.

¹⁰Gretchen Keiser, House Research Agency Memorandum 89.034, September 2, 1988.

years), while it does not help struggling processors (without expansion plans) and erodes the state's fisheries tax base. No objective estimates have been made of the amount of fisheries infrastructure investment that would have occurred without the credit program. Thus, the effectiveness of the credit cannot be determined.

Bills have been introduced in the House and Senate (HB 33 and SB 74) to extend the period during which capital investments may be creditable and credits may be taken. The House version would extend the program through 1994 and the Senate version through 1996. Several factors make forecasting the revenue effects of these bills very difficult. Projections must be based on 1987 tax returns as 1988 figures are not yet available. Several processors have made large investments that have not yet been placed into service (as required in 15 AAC 75.080) and thus will not be creditable until future years. Presumably, increased productivity from capital improvements by processors will result in higher tax liabilities and higher credits. Some processors' investments are so large (compared with their tax liabilities) that they cannot be completely credited over three years, hence their interest in extending the program.

Given the history of the Fisheries Business Tax Credit program to date and the uncertainty over its future fiscal effects, the carry-forward provisions in these bills for approved credits have a potential cost of tens of millions of dollars even if no new investments were allowed. The DOR estimates that HB 33 would cost \$47.1 million and SB 74, \$74.5 million in foregone revenues.

Increasing Limited Entry Permit Fees and Taxing Permit Values

Annual permit fees are charged to all commercial fishermen according to a schedule that ranges from \$10 to \$750.¹¹ Permit fee revenues were \$3.5 million in FY 88. For unlimited fisheries, resident fees are calculated as 0.25 percent of average annual gross earnings per person in the fishery rounded to the nearest \$50. In limited fisheries, the same percentage is applied to the estimated value of the permit. Nonresident permit fees are three times the resident fees. Attachment A is the current permit fee schedule for all commercial fisheries. Increasing permit renewal fees is an efficient and equitable means to increase state revenues from fishermen.

¹¹There are a few crab fisheries which have not opened in recent years with no renewal fee. The fee schedule for all other commercial fisheries is broken into \$50 increments for residents and \$150 increments for nonresidents. A special \$15 renewal fee is offered to low income residents who meet federal poverty level criteria.

The maximum resident permit fee was set in statute (AS 16.43.160) at \$250 and \$750 for nonresidents in 1977.¹² Since that time, permit values have increased dramatically. Currently, the statutory maximum fees constrain potential revenues from 11 limited fisheries and seven unlimited fisheries. According to the Commercial Fisheries Entry Commission (CFEC), repealing the maximum fee statute and charging a flat 0.25 percent of gross earnings or permit value for residents and 0.75 percent for nonresidents, would generate an additional \$2.8 million in annual revenues.¹³

Limited entry permit prices reflect the present value of the expected future income stream from participation in a particular fishery. Because they convey the exclusive right to harvest and sell public resources, transferrable limited entry permits are a personal asset. Estimated transferrable permit prices range from \$6,503 for a Southeast salmon hand troll permit to \$423,333 for a Southeast herring purse seine permit. Attachment B is a "CFEC 1988 Estimated Monthly Permit Value Report." One method to recapture a portion of the wealth the state has created for fishermen through limited entry would be to charge an annual tax on the estimated value of limited entry permits in excess of a certain threshold (to reduce the impact on marginal fisheries). A tax of one percent of the estimated value of transferrable limited entry permits priced over \$50,000 would generate about \$9.9 million in annual revenues.¹⁴

¹²Prior to 1977, fishermen were charged separate permit and gear type fees. AS 16.43.160 allowed the Commercial Fish Entry Commission (CFEC) to streamline and rationalize the permit fee schedule to reflect "different rates of economic return for different fisheries."

¹³Dave Ackley, research analyst, CFEC, personal communication, March 1989.

¹⁴Computed from "The 1987 Annual Report of the Commercial Fisheries Entry Commission," and "1988 Estimated Monthly Permit Value Report."

The most equitable means to increase revenues from commercial fishermen and capture a portion of government-created wealth from limited entry would be some combination of increasing the maximum annual permit renewal fee and charging a tax on the value of transferrable limited entry permits. The example cited above is for illustrative purposes; there is an infinite number of ways to structure a tax on permit values.

Increasing Sportfishing License Fees

Sportfishing license fees are set in statute by the legislature and range from \$10 for an annual resident sportfishing license to \$96 for an annual nonresident hunting and sportfishing license. Sportfishing license revenues were \$4.4 million in FY 88.¹⁵ Revenues are deposited into the Fish and Game Fund to be used for protection, propagation, investigation and restoration of sportfish and game resources and administration of the sport fish and game divisions of the Department of Fish and Game. The last time the Sportfishing and Hunting License fee schedule was increased was in 1976. House Bill 124 would raise sportfishing and hunting license fees for residents and nonresidents and would generate additional revenues of \$816,200 in FY 90 and \$2.8 million in FY 91.

In summary, we have identified about \$15.4 million in potential fisheries revenues from increased auditing of Fisheries Business Tax returns (\$1 million), repealing the limit on permit renewal fees (\$3.6 million), charging a one percent tax on the value of transferrable limited entry permits over \$50,000 (\$9.9 million), and increasing sportfishing license fees (\$816,200). Repeal or modification of the existing Fisheries Business Tax Credit program is probably not feasible, but the legislature can save as much as \$75 million in potential revenues in future years by not extending the program beyond its 1991 sunset date.

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I hope we have provided enough information for the committee's purpose. For the sake of brevity, I have kept this analysis at the conceptual level. I will be happy to provide more detailed information or flesh out the ideas presented herein upon request. Please call if you have questions.

Attachments

¹⁵For purposes of this analysis, we have separated sportfishing license receipts from combination license revenues.

ATTACHMENT A
1988 Permit Fishery Fee Schedule

GXBR5131-01 11/10/87

COMMERCIAL FISHERIES ENTRY COMMISSION

1988 PERMIT FISHERY FEE SCHEDULE

PA

YR	FSHY	RES	FEE NON RES	POV	LIM	SHORT DESCRIPTION	LONG DESCRIPTION
88	G34W	50	150	15	N	HER ROE NET GOODNEWS BAY	ROE HERRING, GILL NET, GOODNEWS BAY
88	G34X	50	150	15	N	HER ROE NET KOTZEBUE	ROE HERRING, GILL NET, KOTZEBUE
88	G34Y	50	150	15	N	HER ROE NET LOWER YUKON	ROE HERRING, GILL NET, LOWER YUKON(CAPE ROMANZOV)
88	G34Z	50	150	15	N	HER ROE NET NORTON SOUND	ROE HERRING, GILL NET, NORTON SOUND
88	G77Z	50	50	50	N	HERR ROE SPECIAL NORTON SD	ROE HERRING, GILL NET, NORTON SOUND (EDUCATIONAL PERMIT)
88	H01A	150	450	15	N	HER BT/FD PURSE SOUTHEAST	HERRING, PURSE SEINE, SOUTHEASTERN
88	H01D	50	150	15	N	HER BT/FD PURSE YAKUTAT	HERRING, PURSE SEINE, YAKUTAT
88	H01E	100	300	15	N	HER BT/FD PURSE PRINCE WM SD	HERRING FOR BAIT, PURSE SEINE, PRINCE WILLIAM SOUND
88	H01K	100	300	15	N	HER BT/FD PURSE KODIAK	HERRING, PURSE SEINE, KODIAK
88	H01L	50	150	15	N	HER BT/FD PURSE CHIGNIK	HERRING, PURSE SEINE, CHIGNIK
88	H01M	250	750	15	N	HER BT/FD PURSE PENINSULA	HERRING, PURSE SEINE, PENINSULA-ALEUTIANS
88	H01X	50	150	15	N	HER BT/FD PURS KOTZEBUE	HERRING, PURSE SEINE, KOTZEBUE
88	H02H	50	150	15	N	HER BT/FD BEACH COOK INLET	HERRING, BEACH SEINE, COOK INLET
88	H02K	50	150	15	N	HER BT/FD BEACH KODIAK	HERRING, BEACH SEINE, KODIAK
88	H02X	50	150	15	N	HER BT/FD BEACH KOTZEBUE	HERRING, BEACH SEINE, KOTZEBUE
88	H02Z	50	150	15	N	HER BT/FD BEACH NORTON SD	HERRING, BEACH SEINE, NORTON SOUND
88	H07A	50	150	15	N	HER BT/FD OTTER SOUTHEAST	HERRING, OTTER TRAWL, SOUTHEAST
88	H07D	50	150	15	N	HER BT/FD OTTER YAKUTAT	HERRING, OTTER TRAWL, YAKUTAT
88	H07E	50	150	15	N	HER BT/FD OTTER PRINCE WM SD	HERRING, OTTER TRAWL, PRINCE WILLIAM SOUND
88	H07H	50	150	15	N	HER BT/FD OTTER COOK INLET	HERRING, OTTER TRAWL, COOK INLET
88	H07K	100	300	15	N	HER BT/FD OTTER KODIAK	HERRING, OTTER TRAWL, KODIAK
88	H07M	50	150	15	N	HER BT/FD OTTER PENINSULA	HERRING, OTTER TRAWL, PENINSULA-ALEUTIANS
88	H17A	50	150	15	N	HER BT/FD BEAM SOUTHEAST	HERRING, BEAM TRAWL, SOUTHEAST
88	H17D	50	150	15	N	HER BT/FD BEAM YAKUTAT	HERRING, BEAM TRAWL, YAKUTAT
88	H17E	50	150	15	N	HER BT/FD BEAM PRINCE WM SD	HERRING, BEAM TRAWL, PRINCE WILLIAM SOUND
88	H17H	50	150	15	N	HER BT/FD BEAM COOK INLET	HERRING, BEAM TRAWL, COOK INLET
88	H17K	50	150	15	N	HER BT/FD BEAM KODIAK	HERRING, BEAM TRAWL, KODIAK
88	H17M	50	150	15	N	HER BT/FD BEAM PENINSULA	HERRING, BEAM TRAWL, PENINSULA-ALEUTIANS
88	H21A	50	150	15	N	HER BT/FD POUND SOUTHEAST	HERRING, POUND, SOUTHEASTERN
88	H21H	50	150	15	N	HER BT/FD POUND COOK INLET	HERRING, POUND, COOK INLET
88	H34D	50	150	15	N	HER BT/FD NET YAKUTAT	HERRING, GILL NET, YAKUTAT
88	H34E	50	150	15	N	HER BT/FD NET PRINCE WM SD	HERRING, GILL NET, PRINCE WILLIAM SOUND
88	H34H	50	150	15	N	HER BT/FD NET COOK INLET	HERRING, GILL NET, COOK INLET
88	H34K	50	150	15	N	HER BT/FD NET KODIAK	HERRING, GILL NET, KODIAK
88	H34M	50	150	15	N	HER BT/FD NET PENINSULA	HERRING, GILL NET, PENINSULA-ALEUTIANS
88	H34X	50	150	15	N	HER BT/FD NET KOTZEBUE	HERRING, GILL NET, KOTZEBUE
88	H34Z	50	150	15	N	HER BT/FD NET NORTON SOUND	HERRING, GILL NET, NORTON SOUND
88	H37D	50	150	15	N	HER BT/FD PAIR YAKUTAT	HERRING, PAIR TRAWL, YAKUTAT
88	H37E	50	150	15	N	HER BT/FD PAIR PRINCE WM SD	HERRING, PAIR TRAWL, PRINCE WILLIAM SOUND
88	H37H	50	150	15	N	HER BT/FD PAIR COOK INLET	HERRING, PAIR TRAWL, COOK INLET
88	H37K	50	150	15	N	HER BT/FD PAIR KODIAK	HERRING, PAIR TRAWL, KODIAK
88	H37M	50	150	15	N	HER BT/FD PAIR PENINSULA	HERRING, PAIR TRAWL, PENINSULA-ALEUTIANS
88	K09D	50	150	15	N	KING POT S YAKUTAT	KING CRAB, POT GEAR, TO 50 FT, YAKUTAT
88	K09E	50	150	15	N	KING POT S PRINCE WM SD	KING CRAB, POT GEAR, TO 50 FT, PRINCE WILLIAM SOUND
88	K09H	50	150	15	N	KING POT S COOK INLET	KING CRAB, POT GEAR, TO 50 FT, COOK INLET
88	K09K	100	300	15	N	KING POT S KODIAK	KING CRAB, POT GEAR, TO 50 FT, KODIAK
88	K09M	250	750	15	N	KING POT S PENINSULA	KING CRAB, POT GEAR, TO 50 FT, PENINSULA-ALEUTIANS
88	K09O	50	150	15	N	KING POT S DUTCH HARBOR	KING CRAB, POT GEAR, TO 50 FT, DUTCH HARBOR
88	K09Q	250	750	15	N	KING POT S BERING SEA	KING CRAB, POT GEAR, TO 50 FT, BERING SEA
88	K09R	50	150	15	N	KING POT S ADAK	KING CRAB, POT GEAR, TO 50 FT, ADAK-WESTERN ALEUTIANS

GXBR5131-01 11/10/87

COMMERCIAL FISHERIES ENTRY COMMISSION

1988 PERMIT FISHERY FEE SCHEDULE

YR	FSHY	RES	FEE NON RES	POV	LIM	SHORT DESCRIPTION	LONG DESCRIPTION
88	A12B	50	150	15	N	ABALONE DIVING STW	ABALONE, DIVING GEAR, STATEWIDE
88	B05B	50	150	15	N	HALIBUT HAND STW	HALIBUT, HAND TROLL, STATEWIDE
88	B06B	50	150	15	N	HALIBUT LL S STW	HALIBUT, LONG LINE, UNDER 5 TONS, STATEWIDE
88	B26B	50	150	15	N	HALIBUT JIG STW	HALIBUT, JIG, STATEWIDE
88	B61B	50	150	15	N	HALIBUT LL L STW	HALIBUT, LONG LINE, 5 TONS OR OVER, STATEWIDE
88	C04B	50	150	15	N	SBLFSH NET STW	SABLEFISH, SUNKEN GILL NET, STATEWIDE
88	C06B	50	150	15	N	SBLFSH LL S STW	SABLEFISH, LONG LINE, UNDER 5 TONS, STATEWIDE (EXCLUDING
88	C07B	50	150	15	N	SBLFSH OTTER STW	SABLEFISH, OTTER TRAWL, STATEWIDE
88	C09B	50	150	15	N	SBLFSH POT S STW	SABLEFISH, POT GEAR, TO 50 FT, STATEWIDE (EXCLUDING SOUTH
88	C17B	50	150	15	N	SBLFSH BEAM STW	SABLEFISH, BEAM TRAWL, STATEWIDE
88	C26B	50	150	15	N	SBLFSH JIG STW	SABLEFISH, MECHANICAL JIG, STATEWIDE
88	C37B	50	150	15	N	SBLFSH PAIR STW	SABLEFISH, PAIR TRAWL, STATEWIDE
88	C61A	50	150	15	Y	SBLFSH LL L NORTH SE	SABLEFISH, LONGLINE, 5 TONS OR OVER, NORTHERN SOUTHEAST
88	C61B	100	300	15	N	SBLFSH LL L STW	SABLEFISH, LONG LINE, 5 TONS OR OVER, STATEWIDE
88	C61C	50	150	15	Y	SBLFSH LL L SOUTH SE	SABLEFISH, LONG LINE, 5 TONS OR OVER, SOUTHERN SOUTHEAST
88	C91B	250	750	15	N	SBLFSH POT L STW	SABLEFISH, POT GEAR, OVER 50 FT, STATEWIDE
88	C91C	50	150	15	Y	SBLFSH POT L SOUTH SE	SABLEFISH, POT GEAR, OVER 50 FT, SOUTHERN SOUTHEAST
88	D09B	50	150	15	N	DUNGEN POT S STW	DUNGENESS CRAB, POT GEAR, TO 50 FT, STATEWIDE
88	D09E	150	450	15	N	DUNGEN POT S PWS	DUNGENESS CRAB, POT GEAR, TO 50 FT, PRINCE WILLIAM SOUND
88	D12B	50	150	15	N	DUNGEN DIV STW	DUNGENESS, DIVING GEAR, STATEWIDE
88	D91B	200	600	15	N	DUNGEN POT L STW	DUNGENESS CRAB, POT GEAR, OVER 50 FT, STATEWIDE
88	D91E	150	450	15	N	DUNGEN POT L PWS	DUNGENESS CRAB, POT GEAR, OVER 50 FT, PRINCE WILLIAM SOUND
88	D99B	50	150	15	N	DUNGEN OTHER STW	DUNGENESS CRAB, OTHER GEAR, STATEWIDE
88	E09B	50	150	15	N	MISC CRB POT S STW	MISCELLANEOUS CRAB, POT GEAR, TO 50 FT, STATEWIDE
88	E91B	100	300	15	N	MISC CRB POT L STW	MISCELLANEOUS CRAB, POT GEAR, OVER 50 FT, STATEWIDE
88	F02B	50	150	15	N	FRSHWTR BEACH STW	FRESHWATER FISH, BEACH SEINE, STATEWIDE
88	F04B	50	150	15	N	FRSHWTR SET STW	FRESHWATER FISH, SET GILL NET, STATEWIDE
88	F05B	50	150	15	N	FRSHWTR HAND STW	FRESHWATER FISH, HAND LINE, STATEWIDE
88	F06B	50	150	15	N	FRSHWTR LL S STW	FRESHWATER FISH, LONGLINE, STATEWIDE
88	F26B	50	150	15	N	FRSHWTR JIG STW	FRESHWATER FISH, JIG, STATEWIDE
88	F99B	50	150	15	N	FRSHWTR OTHER STW	FRESHWATER FISH, OTHER GEAR, STATEWIDE
88	G01A	250	750	15	Y	HER ROE PURSE SE	ROE HERRING, PURSE SEINE, SOUTHEASTERN SAC ROE
88	G01E	200	600	15	Y	HER ROE PURSE PWS	ROE HERRING, PURSE SEINE, PR WILLIAM SOUND SAC ROE
88	G01H	150	450	15	Y	HER ROE PURSE CI	ROE HERRING, PURSE SEINE, COOK INLET
88	G01K	150	450	15	Y	HER ROE PURSE KOD	ROE HERRING, PURSE SEINE, KODIAK
88	G01L	50	150	15	N	HER ROE PURSE CHG	ROE HERRING, PURSE SEINE, CHIGNIK
88	G01M	50	150	15	N	HER ROE PURSE PEN	ROE HERRING, PURSE SEINE, PENINSULA-ALEUTIANS
88	G01T	100	300	15	N	HER ROE PURSE BB	ROE HERRING, PURSE SEINE, BRISTOL BAY
88	G01X	50	150	15	N	HER ROE PURSE KOT	ROE HERRING, PURSE SEINE, KOTZEBUE
88	G02X	50	150	15	N	HER ROE BEACH KOT	ROE HERRING, BEACH SEINE, KOTZEBUE
88	G02Z	50	150	15	N	HER ROE BEACH NS	ROE HERRING, BEACH SEINE, NORTON SOUND
88	G31K	150	450	15	Y	HER ROE PURSE/GILL KODIAK	ROE HERRING, GILL NET AND PURSE SEINE, KODIAK
88	G34A	150	450	15	Y	HER ROE NET SOUTHEAST	ROE HERRING, GILL NET, SOUTHEASTERN
88	G34E	100	300	15	Y	HER ROE NET PRINCE WM SD	ROE HERRING, GILL NET, PRINCE WILLIAM SOUND
88	G34H	50	150	15	N	HER ROE NET COOK INLET	ROE HERRING, GILL NET, COOK INLET
88	G34K	50	150	15	Y	HER ROE NET KODIAK	ROE HERRING, GILL NET, KODIAK
88	G34M	50	150	15	N	HER ROE NET PENINSULA	ROE HERRING, GILL NET, PENINSULA-ALEUTIANS
88	G34N	50	150	15	N	HER ROE NET NUNIVAK/NELSON	ROE HERRING, GILL NET, NUNIVAK/NELSON ISLANDS
88	G34S	50	150	15	N	HER ROE NET SECURITY COVE	ROE HERRING, GILL NET, SECURITY COVE
88	G3	50	150	15	N	HER ROE NET BRISTOL BAY	ROE HERRING, GILL NET, BRISTOL BAY

1988 PERMIT FISHERY FEE SCHEDULE

YR	FSHY	RES	FEE NON RES	POV	LIM	SHORT DESCRIPTION	LONG DESCRIPTION
88	K09T	100	300	15	N	KING POT S BRISTOL BAY	KING CRAB, POT GEAR, TO 50 FT, BRISTOL BAY
88	K09Z	50	150	15	N	KING POT S NORTON SOUND	KING CRAB, POT GEAR, TO 50 FT, NORTON SOUND
88	K19A	50	150	15	Y	RED/BLUE KING CRAB POTS SE	RED/BLUE KING CRAB, POT GEAR, SOUTHEASTERN
88	K29A	150	450	15	Y	RED/BLUE/BROWN KING POTS SE	RED/BLUE AND BROWN KING CRAB, POT GEAR, SOUTHEASTERN
88	K39A	50	150	15	Y	BROWN KING POTS SE	BROWN KING CRAB, POT GEAR, SOUTHEASTERN
88	K49A	50	150	15	Y	RED/BLUE KING & TANNER POTS SE	RED/BLUE KING CRAB, TANNER CRAB, POT GEAR, SOUTHEASTERN
88	K59A	50	150	15	Y	BROWN KING & TANNER POTS SE	BROWN KING, TANNER CRAB, POT GEAR, SOUTHEASTERN
88	K69A	250	750	15	Y	ALL KING & TANNER POTS SE	RED/BLUE AND BROWN KING, TANNER CRAB, POT GEAR, SOUTHEASTERN
88	K91D	50	150	15	N	KING POT L YAKUTAT	KING CRAB, POT GEAR, OVER 50 FT, YAKUTAT
88	K91E	50	150	15	N	KING POT L PRINCE WM SD	KING CRAB, POT GEAR, OVER 50 FT, PRINCE WILLIAM SOUND
88	K91H	250	750	15	N	KING POT L COOK INLET	KING CRAB, POT GEAR, OVER 50 FT, COOK INLET
88	K91K	200	600	15	N	KING POT L KODIAK	KING CRAB, POT GEAR, OVER 50 FT, KODIAK
88	K91M	250	750	15	N	KING POT L PENINSULA	KING CRAB, POT GEAR, OVER 50 FT, PENINSULA-ALEUTIANS
88	K91O	250	750	15	N	KING POT L DUTCH HARBOR	KING CRAB, POT GEAR, OVER 50 FT, DUTCH HARBOR
88	K91Q	250	750	15	N	KING POT L BERING SEA	KING CRAB, POT GEAR, OVER 50 FT, BERING SEA
88	K91R	250	750	15	N	KING POT L ADAK	KING CRAB, POT GEAR, OVER 50 FT, ADAK-WESTERN ALEUTIANS
88	K91T	250	750	15	N	KING POT L BRISTOL BAY	KING CRAB, POT GEAR, OVER 50 FT, BRISTOL BAY
88	K91Z	50	150	15	N	KING POT L NORTON SOUND	KING CRAB, POT GEAR, OVER 50 FT, NORTON SOUND
88	K99A	50	150	15	N	KING OTHER SOUTHEAST	KING CRAB, OTHER GEAR, SOUTHEAST (RING NETS)
88	K99D	50	150	15	N	KING OTHER YAKUTAT	KING CRAB, OTHER GEAR, YAKUTAT
88	K99E	50	150	15	N	KING OTHER PRINCE WM SD	KING CRAB, OTHER GEAR, PRINCE WILLIAM SOUND
88	K99H	50	150	15	N	KING OTHER COOK INLET	KING CRAB, OTHER GEAR, COOK INLET
88	K99K	50	150	15	N	KING OTHER KODIAK	KING CRAB, OTHER GEAR, KODIAK
88	L12E	50	150	15	N	SPAWN DIV/HND PRINCE WM SD	HERRING SPAWN ON KELP, DIVING/HAND-PICKING, PRINCE WM SD
88	L12T	50	150	15	N	SPAWN HANDPICK BRISTOL BAY	HERRING SPAWN ON KELP, DIVING/HAND-PICKING, BRISTOL BAY
88	L21E	50	150	15	Y	SPAWN POUND PRINCE WM SD	HERRING SPAWN, POUND, PRINCE WILLIAM SOUND
88	L21M	50	150	15	N	SPAWN POUND PENINSULA	HERRING SPAWN, POUND, PENINSULA-ALEUTIANS
88	L21X	50	150	15	N	HERRING SPAWN, POUND, KOTZEBUE	HERRING SPAWN ON KELP, POUND, KOTZEBUE
88	M01B	50	150	15	N	MISC FIN PURSE STW	MISC SALTWATER FINFISH, PURSE SEINE, STATEWIDE
88	M02B	50	150	15	N	MISC FIN BEACH STW	MISC SALTWATER FINFISH, BEACH SEINE, STATEWIDE
88	M04B	50	150	15	N	MISC FIN SET STW	MISC SALTWATER FINFISH, SET GILL NET, STATEWIDE
88	M05B	50	150	15	N	MISC FIN HAND STW	MISC SALTWATER FINFISH, HAND TROLL, STATEWIDE
88	M06B	50	150	15	N	MISC FIN LL S STW	MISC SALTWATER FINFISH, LONG LINE, UNDER 5 TONS, STATEWIDE
88	M07B	250	750	15	N	MISC FIN OTTER STW	MISC SALTWATER FINFISH, OTTER TRAWL, STATEWIDE
88	M09B	50	150	15	N	MISC FIN POT S STW	MISC SALTWATER FINFISH, POT GEAR, TO 50 FT, STATEWIDE
88	M17B	50	150	15	N	MISC FIN BEAM STW	MISC SALTWATER FINFISH, BEAM TRAWL, STATEWIDE
88	M26B	50	150	15	N	MISC FIN JIG STW	MISC SALTWATER FINFISH, JIG, STATEWIDE
88	M37B	50	150	15	N	MISC FIN PAIR STW	MISC SALTWATER FINFISH, PAIR TRAWL, STATEWIDE
88	M61B	50	150	15	N	MISC FIN LL L STW	MISC SALTWATER FINFISH, LONG LINE, 5 TONS OR OVER, STATEWIDE
88	M91B	50	150	15	N	MISC FIN POT L STW	MISC SALTWATER FINFISH, POT GEAR, OVER 50 FT, STATEWIDE
88	M99B	50	150	15	N	MISC FIN OTHER STW	MISC SALTWATER FINFISH, OTHER GEAR, STATEWIDE
88	P07B	200	600	15	N	SHRIMP OTTER STW	SHRIMP, OTTER TRAWL, STATEWIDE
88	P07H	100	300	15	N	SHRIMP OTTER CI	SHRIMP, OTTER TRAWL, COOK INLET
88	P09B	50	150	15	N	SHRIMP POT S STW	SHRIMP, POT GEAR, TO 50 FT, STATEWIDE
88	P09E	50	150	15	N	SHRIMP POT S PWS	SHRIMP, POT, 50 FEET & UNDER, PRINCE WILLIAM SOUND
88	P17B	50	150	15	N	SHRIMP BEAM STW	SHRIMP, BEAM TRAWL, STATEWIDE
88	P17H	50	150	15	N	SHRIMP BEAM CI	SHRIMP, BEAM TRAWL, COOK INLET
88	P37B	50	150	15	N	SHRIMP PAIR STW	SHRIMP, PAIR TRAWL, STATEWIDE
88	P37H	50	150	15	N	SHRIMP PAIR CI	SHRIMP, PAIR TRAWL, COOK INLET
88	P91B	50	150	15	N	SHRIMP POT L STW	SHRIMP, POT GEAR, OVER 50 FT, STATEWIDE

1988 PERMIT FISHERY FEE SCHEDULE

YR	FSHY	RES	FEE NON RES	POV	LIM	SHORT DESCRIPTION	LONG DESCRIPTION
88	P91E	50	150	15	N	SHRIMP POT L PWS	SHRIMP, POT, OVER 50 FEET, PRINCE WILLIAM SOUND
88	R18B	50	150	15	N	CLAM SHOVEL STW	CLAMS, SHOVEL, STATEWIDE
88	R23B	50	150	15	N	CLAM MECH DIG STW	CLAMS, MECHANICAL DIGGER, STATEWIDE
88	S01A	100	300	15	Y	SALMON PURSE SE	SALMON, PURSE SEINE, SOUTHEASTERN
88	S01E	200	600	15	Y	SALMON PURSE PWS	SALMON, PURSE SEINE, PRINCE WILLIAM SOUND
88	S01H	150	450	15	Y	SALMON PURSE CI	SALMON, PURSE SEINE, COOK INLET
88	S01K	100	300	15	Y	SALMON PURSE KOD	SALMON, PURSE SEINE, KODIAK
88	S01L	250	750	15	Y	SALMON PURSE CH	SALMON, PURSE SEINE, CHIGNIK
88	S01M	250	750	15	Y	SALMON PURSE PEN	SALMON, PURSE SEINE, PENINSULA-ALEUTIANS
88	S02K	50	150	15	Y	SALMON BEACH KOD	SALMON, BEACH SEINE, KODIAK
88	S03A	150	450	15	Y	SALMON DRIFT SE	SALMON, DRIFT GILL NET, SOUTHEASTERN
88	S03E	150	450	15	Y	SALMON DRIFT PWS	SALMON, DRIFT GILL NET, PRINCE WILLIAM SOUND
88	S03H	200	600	15	Y	SALMON DRIFT CI	SALMON, DRIFT GILL NET, COOK INLET
88	S03M	250	750	15	Y	SALMON DRIFT PEN	SALMON, DRIFT GILL NET, PENINSULA-ALEUTIANS
88	S03T	250	750	15	Y	SALMON DRIFT BB	SALMON, DRIFT GILL NET, BRISTOL BAY
88	S04D	50	150	15	Y	SALMON SET YAK	SALMON, SET GILL NET, YAKUTAT
88	S04E	50	150	15	Y	SALMON SET PWS	SALMON, SET GILL NET, PRINCE WILLIAM SOUND
88	S04H	50	150	15	Y	SALMON SET CI	SALMON, SET GILL NET, COOK INLET
88	S04K	150	450	15	Y	SALMON SET KOD	SALMON, SET GILL NET, KODIAK
88	S04M	150	450	15	Y	SALMON SET PEN	SALMON, SET GILL NET, PENINSULA-ALEUTIANS
88	S04P	50	150	15	Y	SALMON NET UP YU	SALMON, GILL NET, UPPER YUKON
88	S04T	100	300	15	Y	SALMON SET BB	SALMON, SET GILL NET, BRISTOL BAY
88	S04W	50	150	15	Y	SALMON NET KUS	SALMON, GILL NET, KUSKOKWIM
88	S04X	50	150	15	Y	SALMON NET KOT	SALMON, GILL NET, KOTZEBUE-NORTHERN
88	S04Y	50	150	15	Y	SALMON NET LW YU	SALMON, GILL NET, LOWER YUKON
88	S04Z	50	150	15	Y	SALMON NET NS	SALMON, GILL NET, NORTON SOUND-PORT CLARENC
88	S05B	50	150	15	Y	SALMON HAND STW	SALMON, HAND TROLL, STATEWIDE
88	S08P	50	150	15	Y	SAL WHEEL UP YU	SALMON, FISHWHEEL, UPPER YUKON
88	S15B	50	150	15	Y	SALMON POWER STW	SALMON, POWER GURDY TROLL, STATEWIDE
88	S77A	50	50	50	N	SALMON SPECIAL SE	SALMON, SPECIAL HARVEST AREA (HATCHERY), SOUTHEAST
88	S77E	50	50	50	N	SALMON SPECIAL PWS	SALMON, SPECIAL HARVEST AREA (HATCHERY), PRINCE WILLIAM SOUND
88	S77H	50	50	50	N	SALMON SPECIAL CI	SALMON, SPECIAL HARVEST AREA (HATCHERY), COOK INLET
88	S77K	50	50	50	N	SALMON SPECIAL KODIAK	SALMON, SPECIAL HARVEST AREA, KODIAK
88	S77Y	50	50	50	N	SALMON SPECIAL LOWER YUKON	SALMON, SPECIAL HARVEST AREA, LOWER YUKON
88	S99A	0	0	0	Y	SALMON TRAPS SOUTHEAST	SALMON, TRAPS, SOUTHEAST (METLAKATLA RESERVATION ONLY)
88	T09D	50	150	15	N	TANNER POT S YAK	TANNER CRAB, POT GEAR, TO 50 FT, YAKUTAT
88	T09E	100	300	15	N	TANNER POT S PWS	TANNER CRAB, POT GEAR, TO 50 FT, PRINCE WILLIAM SOUND
88	T09H	50	150	15	N	TANNER POT S CI	TANNER CRAB, POT GEAR, TO 50 FT, COOK INLET
88	T09K	100	300	15	N	TANNER POT S KOD	TANNER CRAB, POT GEAR, TO 50 FT, KODIAK
88	T09M	100	300	15	N	TANNER POT S PEN	TANNER CRAB, POT GEAR, TO 50 FT, PENINSULA-ALEUTIANS
88	T09O	50	150	15	N	TANNER POT S DUT	TANNER CRAB, POT GEAR, TO 50 FT, DUTCH HARBOR
88	T09Q	50	150	15	N	TANNER POT S BER	TANNER CRAB, POT GEAR, TO 50 FT, BERING SEA
88	T09R	50	150	15	N	TANNER POT S ADAK	TANNER CRAB, POT GEAR, TO 50 FT, ADAK
88	T11A	50	150	15	Y	TANNER POT S SE	TANNER CRAB, POT GEAR, SOUTHEASTERN
88	T91D	50	150	15	N	TANNER POT L YAK	TANNER CRAB, POT GEAR, OVER 50 FT, YAKUTAT
88	T91E	250	750	15	N	TANNER POT L PWS	TANNER CRAB, POT GEAR, OVER 50 FT, PRINCE WILLIAM SOUND
88	T91H	250	750	15	N	TANNER POT L CI	TANNER CRAB, POT GEAR, OVER 50 FT, COOK INLET
88	T91K	250	750	15	N	TANNER POT L KOD	TANNER CRAB, POT GEAR, OVER 50 FT, KODIAK
88	T91M	200	600	15	N	TANNER POT L PEN	TANNER CRAB, POT GEAR, OVER 50 FT, PENINSULA-ALEUTIANS
88	T91O	100	300	15	N	TANNER POT L DUT	TANNER CRAB, POT GEAR, OVER 50 FT, DUTCH HARBOR

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COMMERCIAL FISHERIES ENTRY COMMISSION

1988 PERMIT FISHERY FEE SCHEDULE

YR	FSHY	RES	FEE NON RES	POV	LIM	SHORT DESCRIPTION	LONG DESCRIPTION
88	T91Q	250	750	15	N	TANNER POT L BER	TANNER CRAB, POT GEAR, OVER 50 FT, BERING SEA
88	T91R	50	150	15	N	TANNER POT L ADAK	TANNER CRAB, POT GEAR, OVER 50 FT, ADAK
88	T99A	50	150	15	N	TANNER OTHER SE	TANNER CRAB, OTHER GEAR, SOUTHEASTERN
88	T99E	50	150	15	N	TANNER OTHER PWS	TANNER CRAB, OTHER GEAR, PRINCE WILLIAM SOUND
88	T99H	50	150	15	N	TANNER OTHER CI	TANNER CRAB, OTHER GEAR, COOK INLET
88	W22B	250	750	15	N	SCALLOP DREDGE STW	SCALLOPS, DREDGE, STATEWIDE
88	Z01B	50	150	15	N		
88	Z06B	50	150	15	N		
88	Z09B	50	150	15	N		
88	Z12B	50	150	15	N		
88	Z17B	50	150	15	N		
88	Z26B	50	150	15	N		
88	Z37B	50	150	15	N		
88	Z61B	50	150	15	N		
88	Z91B	50	150	15	N		
88	Z99B	50	150	15	N		

28
117
46lim 1st
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ATTACHMENT B
Commercial Fisheries Entry Commission 1988
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COMMERCIAL FISHERIES ENTRY COMMISSION
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The appraised values found below were obtained from the Commercial Fisheries Entry Commission's transfer survey. This evaluation is prepared on a monthly basis. Where sufficient data exist, estimates are based on the current month's values as well as those for the two preceding months. Where insufficient data exist during a three-month period, additional data from earlier months are included until a sufficient number of observations are obtained. For the all year average, transactions which occurred from January through December are considered. The months of the earliest and latest transactions included in the average are reported in the two right columns. High and low values for the time period are also reported if the number of observations included in the average exceed a minimum needed to assure confidentiality. Any questions regarding this information should be addressed to: Rick Focht or David Ackley, Commercial Fisheries Entry Commission, P.O. Box KB, Juneau, Alaska 99811, or phone (907) 586-3456.

Fishery		Month	Low Value	High Value	Estimated Value	Earliest Transaction	Latest Transaction
HERRING PURSE SEINE							
Southeast	(G01A)	January	Insufficient Data		\$216,667	10/1986	4/1987
		February	Insufficient Data		\$303,333	4/1987	2/1988
		March	Insufficient Data		\$423,333	2/1988	3/1988
		April	Insufficient Data		\$423,333	2/1988	3/1988
		May	Insufficient Data		\$423,333	2/1988	3/1988
		June	Insufficient Data		\$423,333	2/1988	3/1988
		July	Insufficient Data		\$423,333	2/1988	3/1988
		August	Insufficient Data		\$423,333	2/1988	3/1988
		September	Insufficient Data		\$423,333	2/1988	3/1988
		October	Insufficient Data		\$423,333	2/1988	3/1988
		November	Insufficient Data		\$423,333	2/1988	3/1988
		December	Insufficient Data		\$423,333	2/1988	3/1988
		All Year	Insufficient Data		\$423,333	2/1988	3/1988
Prince William Sound	(G01E)	January	\$70,000	\$125,000	\$102,000	3/1987	1/1988
		February	\$70,000	\$125,000	\$102,000	3/1987	1/1988
		March	Insufficient Data		\$148,333	1/1988	3/1988
		April	Insufficient Data		\$148,333	1/1988	3/1988
		May	Insufficient Data		\$148,333	1/1988	3/1988
		June	\$150,000	\$200,000	\$170,000	3/1988	6/1988
		July	\$150,000	\$200,000	\$170,000	3/1988	6/1988
		August	Insufficient Data		\$180,000	6/1988	8/1988
		September	\$160,000	\$250,000	\$197,500	6/1988	9/1988
		October	Insufficient Data		\$218,333	8/1988	10/1988
		November	Insufficient Data		\$218,333	8/1988	10/1988
		December	Insufficient Data		\$218,333	8/1988	10/1988
		All Year	\$125,000	\$250,000	\$182,500	1/1988	10/1988
Cook Inlet	(G01H)	January	Insufficient Data		\$195,500	10/1987	1/1988
		February	Insufficient Data		\$195,500	10/1987	1/1988
		March	Insufficient Data		\$201,667	11/1987	3/1988
		April	Insufficient Data		\$201,667	1/1988	4/1988

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Fishery		Month	Low Value	High Value	Estimated Value	Earliest Transaction	Latest Transaction
HERRING PURSE SEINE							
Cook Inlet	(cont)	May	Insufficient Data		\$201,667	1/1988	4/1988
		June	Insufficient Data		\$208,333	3/1988	6/1988
		July	Insufficient Data		\$208,333	3/1988	6/1988
		August	Insufficient Data		\$208,333	3/1988	6/1988
		September	Insufficient Data		\$208,333	3/1988	6/1988
		October	Insufficient Data		\$208,333	3/1988	6/1988
		November	Insufficient Data		\$208,333	3/1988	6/1988
		December	Insufficient Data		\$208,333	3/1988	6/1988
		All Year	\$190,000	\$220,000	\$206,250	1/1988	6/1988
Kodiak	(G01K)	January	Insufficient Data		\$23,167	11/1987	12/1987
		February	\$20,000	\$26,500	\$24,000	11/1987	2/1988
		March	\$20,000	\$26,500	\$24,000	11/1987	2/1988
		April	Insufficient Data		\$23,833	12/1987	4/1988
		May	Insufficient Data		\$23,833	12/1987	4/1988
		June	Insufficient Data		\$23,833	12/1987	4/1988
		July	Insufficient Data		\$23,833	12/1987	4/1988
		August	Insufficient Data		\$23,833	12/1987	4/1988
		September	Insufficient Data		\$23,833	12/1987	4/1988
		October	Insufficient Data		\$23,833	12/1987	4/1988
		November	Insufficient Data		\$23,833	12/1987	4/1988
		December	Insufficient Data		\$23,833	12/1987	4/1988
		All Year	Insufficient Data		\$23,833	12/1987	4/1988
HERRING GILLNET							
Southeast	(G34A)	January	\$40,000	\$55,000	\$48,650	12/1987	1/1988
		February	\$40,000	\$55,000	\$48,650	12/1987	1/1988
		March	\$40,000	\$55,000	\$48,210	1/1988	3/1988
		April	\$40,000	\$55,000	\$48,929	3/1988	3/1988
		May	\$40,000	\$55,000	\$48,929	3/1988	3/1988
		June	\$40,000	\$55,000	\$48,929	3/1988	3/1988
		July	\$40,000	\$55,000	\$48,929	3/1988	3/1988
		August	\$40,000	\$55,000	\$48,929	3/1988	3/1988
		September	\$40,000	\$55,000	\$48,929	3/1988	3/1988
		October	\$40,000	\$55,000	\$48,929	3/1988	3/1988
		November	\$40,000	\$55,000	\$48,929	3/1988	3/1988
		December	\$40,000	\$55,000	\$49,688	3/1988	12/1988
		All Year	\$40,000	\$55,000	\$48,827	1/1988	12/1988
Prince William Sound	(G34E)	January	Insufficient Data		\$31,667	2/1986	12/1986
		February	Insufficient Data		\$31,667	2/1986	12/1986
		March	Insufficient Data		\$46,667	9/1986	3/1988

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Fishery	Month	Low Value	High Value	Estimated Value	Earliest Transaction	Latest Transaction
HERRING GILLNET						
Prince William Sound (cont)	April	Insufficient Data		\$56,667	12/1986	4/1988
	May	Insufficient Data		\$56,667	12/1986	4/1988
	June	Insufficient Data		\$56,667	12/1986	4/1988
	July	Insufficient Data		\$56,667	12/1986	4/1988
	August	Insufficient Data		\$56,667	12/1986	4/1988
	September	Insufficient Data		\$56,667	12/1986	4/1988
	October	Insufficient Data		\$56,667	12/1986	4/1988
	November	Insufficient Data		\$56,667	12/1986	4/1988
	December	Insufficient Data		\$56,667	12/1986	4/1988
	All Year	Insufficient Data		\$56,667	12/1986	4/1988
Kodiak (G34K)						
	January	Insufficient Data		\$16,166	4/1987	4/1987
	February	Insufficient Data		\$16,166	4/1987	4/1987
	March	\$14,999	\$17,500	\$15,700	4/1987	3/1988
	April	\$14,000	\$20,000	\$15,750	3/1988	4/1988
	May	\$14,000	\$20,000	\$15,917	3/1988	5/1988
	June	\$14,000	\$20,000	\$16,091	4/1988	6/1988
	July	\$15,000	\$17,000	\$16,200	5/1988	6/1988
	August	\$15,000	\$17,000	\$16,200	5/1988	6/1988
	September	\$15,000	\$17,000	\$16,200	5/1988	6/1988
	October	\$15,000	\$17,000	\$16,200	5/1988	10/1988
	November	Insufficient Data		\$17,400	10/1988	11/1988
	December	\$16,200	\$22,000	\$18,550	10/1988	12/1988
	All Year	\$14,000	\$22,000	\$16,511	3/1988	12/1988
HERRING SPAWN ON KELP/POUND						
Prince William Sound (L21E)	February	\$7,100	\$25,000	\$19,663	2/1988	2/1988
	March	\$7,100	\$25,000	\$19,358	2/1988	3/1988
	April	\$7,100	\$25,000	\$19,358	2/1988	3/1988
	May	\$12,000	\$22,000	\$18,750	3/1988	3/1988
	June	\$12,000	\$22,000	\$18,750	3/1988	3/1988
	July	\$12,000	\$22,000	\$18,750	3/1988	3/1988
	August	\$12,000	\$22,000	\$18,750	3/1988	3/1988
	September	\$12,000	\$45,000	\$23,500	3/1988	9/1988
	October	\$40,000	\$45,000	\$43,250	9/1988	10/1988
	November	\$40,000	\$45,000	\$42,600	9/1988	11/1988
	December	\$40,000	\$50,000	\$45,600	10/1988	12/1988
	All Year	\$7,100	\$50,000	\$25,084	2/1988	12/1988
SALMON PURSE SEINE						
Southeast (S01A)	January	\$37,500	\$47,500	\$42,750	10/1987	12/1987
	February	Insufficient Data		\$45,833	11/1987	2/1988
	March	\$45,000	\$60,000	\$50,000	2/1988	3/1988

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Fishery		Month	Low Value	High Value	Estimated Value	Earliest Transaction	Latest Transaction
SALMON PURSE SEINE							
Southeast	(cont)	April	\$38,500	\$60,000	\$47,250	2/1988	4/1988
		May	\$38,500	\$65,000	\$50,583	3/1988	5/1988
		June	\$38,500	\$125,000	\$71,444	4/1988	6/1988
		July	\$45,000	\$125,000	\$74,944	5/1988	7/1988
		August	\$45,000	\$125,000	\$76,188	6/1988	7/1988
		September	\$45,000	\$125,000	\$76,188	6/1988	7/1988
		October	Insufficient Data		\$65,000	7/1988	10/1988
		November	\$45,000	\$80,000	\$66,875	7/1988	11/1988
		December	Insufficient Data		\$75,667	10/1988	12/1988
		All Year	\$38,500	\$125,000	\$65,833	2/1988	12/1988
Prince William Sound (S01E)		January	\$95,000	\$140,000	\$126,583	11/1987	1/1988
		February	\$100,000	\$140,000	\$126,583	12/1987	2/1988
		March	\$100,000	\$160,000	\$130,938	1/1988	3/1988
		April	\$90,000	\$160,000	\$129,444	2/1988	4/1988
		May	\$90,000	\$170,000	\$137,500	3/1988	5/1988
		June	\$90,000	\$170,000	\$146,250	4/1988	6/1988
		July	\$140,000	\$170,000	\$155,000	5/1988	6/1988
		August	\$140,000	\$160,000	\$151,250	6/1988	6/1988
		September	\$140,000	\$160,000	\$151,250	6/1988	6/1988
		October	\$140,000	\$160,000	\$151,250	6/1988	6/1988
		November	\$140,000	\$210,000	\$169,167	6/1988	11/1988
		December	\$140,000	\$210,000	\$169,167	6/1988	11/1988
		All Year	\$90,000	\$210,000	\$145,972	1/1988	11/1988
Cook Inlet	(S01H)	January	\$50,000	\$60,000	\$57,500	5/1987	12/1987
		February	\$50,000	\$60,000	\$57,500	5/1987	12/1987
		March	\$50,000	\$60,000	\$57,500	5/1987	12/1987
		April	\$50,000	\$60,000	\$57,500	5/1987	12/1987
		May	\$60,000	\$65,000	\$64,000	5/1988	5/1988
		June	\$60,000	\$65,000	\$64,114	5/1988	6/1988
		July	\$60,000	\$71,000	\$64,975	5/1988	7/1988
		August	Insufficient Data		\$66,600	6/1988	7/1988
		September	Insufficient Data		\$66,600	6/1988	7/1988
		October	Insufficient Data		\$66,600	6/1988	7/1988
		November	\$63,800	\$75,000	\$68,700	6/1988	11/1988
		December	\$63,800	\$75,000	\$68,700	6/1988	11/1988
		All Year	\$60,000	\$75,000	\$66,089	5/1988	11/1988
Kodiak	(S01K)	January	\$45,000	\$65,000	\$51,139	11/1987	1/1988
		February	\$45,000	\$65,000	\$52,543	12/1987	2/1988

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Fishery	Month	Low	High	Estimated	Earliest	Latest
SALMON PUNSE SEINE						
Kodiak	March	\$45,000	\$65,000	\$53,837	1/1988	3/1988
	April	\$50,000	\$67,000	\$59,473	2/1988	4/1988
	May	\$50,000	\$76,250	\$61,614	3/1988	5/1988
	June	\$50,000	\$80,000	\$65,817	4/1988	6/1988
	July	\$40,000	\$80,000	\$66,205	5/1988	7/1988
	August	\$40,000	\$80,000	\$65,200	6/1988	7/1988
	September	\$40,000	\$76,000	\$62,750	7/1988	9/1988
	October	\$65,000	\$135,000	\$87,750	9/1988	10/1988
	November	\$65,000	\$135,000	\$96,833	9/1988	11/1988
	December	\$65,000	\$135,000	\$101,000	10/1988	11/1988
	All Year	\$40,000	\$135,000	\$66,734	1/1988	11/1988
	Insufficient Data					
	Insufficient Data					
Chignik	January	Insufficient Data		\$315,667	5/1985	11/1986
	February	Insufficient Data		\$315,667	5/1985	11/1986
	March	Insufficient Data		\$341,667	1/1986	3/1988
	April	Insufficient Data		\$341,667	1/1986	3/1988
	May	Insufficient Data		\$360,000	11/1986	5/1988
	June	Insufficient Data		\$360,000	11/1986	5/1988
	July	Insufficient Data		\$360,000	11/1986	5/1988
	August	Insufficient Data		\$360,000	11/1986	5/1988
	September	Insufficient Data		\$360,000	11/1986	5/1988
	October	Insufficient Data		\$360,000	11/1986	5/1988
	November	Insufficient Data		\$360,000	11/1986	5/1988
	December	Insufficient Data		\$360,000	11/1986	5/1988
	All Year	Insufficient Data		\$360,000	11/1986	5/1988
Alaska Peninsula (SOLM)	January	Insufficient Data		\$176,667	3/1987	11/1987
	February	Insufficient Data		\$176,667	3/1987	11/1987
	March	Insufficient Data		\$176,667	3/1987	11/1987
	April	Insufficient Data		\$176,667	3/1987	11/1987
	May	Insufficient Data		\$185,000	6/1987	5/1988
	June	Insufficient Data		\$185,000	6/1987	5/1988
	July	Insufficient Data		\$185,000	6/1987	5/1988
	August	Insufficient Data		\$185,000	6/1987	5/1988
	September	Insufficient Data		\$192,667	11/1987	9/1988
	October	Insufficient Data		\$192,667	11/1987	9/1988
	November	Insufficient Data		\$192,667	11/1987	9/1988
	December	Insufficient Data		\$182,833	5/1988	12/1988
	All Year	Insufficient Data		\$182,833	5/1988	12/1988

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Fishery	Month	Low Value	High Value	Estimated Value	Earliest Transaction	Latest Transaction
SALMON BEACH SEINE						
Kodiak (S02K)	January	Insufficient Data		\$27,333	6/1987	7/1987
	February	Insufficient Data		\$27,333	6/1987	7/1987
	March	Insufficient Data		\$27,333	6/1987	7/1987
	April	\$20,000	\$37,000	\$25,500	6/1987	4/1988
	May	Insufficient Data		\$26,333	4/1988	5/1988
	June	\$20,000	\$34,000	\$27,250	4/1988	6/1988
	July	\$25,000	\$34,000	\$30,500	5/1988	7/1988
	August	\$25,000	\$34,000	\$30,500	5/1988	7/1988
	September	\$25,000	\$34,000	\$30,500	5/1988	7/1988
	October	\$25,000	\$34,000	\$30,500	5/1988	7/1988
	November	\$25,000	\$34,000	\$30,500	5/1988	7/1988
	December	\$25,000	\$34,000	\$30,500	5/1988	7/1988
	All Year	\$20,000	\$34,000	\$28,400	4/1988	7/1988
SALMON DRIFT GILLNET						
Southeast (S03A)	January	\$57,000	\$73,000	\$67,000	11/1987	1/1988
	February	\$55,000	\$73,000	\$64,071	12/1987	2/1988
	March	\$55,000	\$73,000	\$66,071	1/1988	3/1988
	April	\$53,750	\$82,000	\$65,271	2/1988	4/1988
	May	\$47,500	\$86,000	\$66,217	3/1988	5/1988
	June	\$47,500	\$100,000	\$72,434	4/1988	6/1988
	July	\$47,500	\$100,000	\$77,115	5/1988	7/1988
	August	\$70,000	\$100,000	\$87,000	6/1988	7/1988
	September	\$70,000	\$100,000	\$87,000	6/1988	7/1988
	October	\$70,000	\$100,000	\$88,625	6/1988	10/1988
	November	Insufficient Data		\$122,500	10/1988	11/1988
	December	\$100,000	\$140,000	\$119,375	10/1988	12/1988
	All Year	\$47,500	\$140,000	\$77,621	1/1988	12/1988
Prince William Sound (S03E)						
	January	\$60,000	\$75,000	\$67,500	11/1987	1/1988
	February	\$50,000	\$77,000	\$68,684	12/1987	2/1988
	March	\$50,000	\$85,000	\$70,333	1/1988	3/1988
	April	\$45,000	\$90,500	\$71,067	2/1988	4/1988
	May	\$45,000	\$95,000	\$72,797	3/1988	5/1988
	June	\$45,000	\$95,000	\$73,182	4/1988	6/1988
	July	\$45,000	\$95,000	\$75,214	5/1988	6/1988
	August	Insufficient Data		\$82,667	6/1988	8/1988
	September	\$80,000	\$85,000	\$82,000	6/1988	9/1988
	October	\$80,000	\$85,000	\$82,000	6/1988	9/1988
	November	Insufficient Data		\$95,000	9/1988	11/1988
	December	\$90,000	\$170,000	\$116,250	11/1988	12/1988
	All Year	\$45,000	\$170,000	\$75,884	1/1988	12/1988

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Fishery	Month	Low Value	High Value	Estimated Value	Earliest Transaction	Latest Transaction
SALMON DRIFT GILLNET						
Cook Inlet (503H)	January	\$95,000	\$145,000	\$127,500	11/1987	1/1988
	February	\$50,000	\$145,000	\$100,833	12/1987	2/1988
	March	\$85,000	\$170,000	\$117,000	1/1988	3/1988
	April	\$85,000	\$170,000	\$115,089	2/1988	4/1988
	May	\$100,000	\$170,000	\$135,487	3/1988	5/1988
	June	\$90,000	\$165,000	\$137,522	4/1988	6/1988
	July	\$90,000	\$165,000	\$139,000	5/1988	6/1988
	August	\$90,000	\$165,000	\$146,667	6/1988	6/1988
	September	\$90,000	\$180,000	\$151,429	6/1988	9/1988
	October	\$90,000	\$180,000	\$153,125	6/1988	10/1988
	November	\$120,500	\$186,000	\$164,300	9/1988	11/1988
	December	\$120,500	\$186,000	\$160,375	10/1988	11/1988
	All Year	\$85,000	\$186,000	\$138,725	1/1988	11/1988
Alaska Peninsula (503H)	January	Insufficient Data		\$226,667	11/1987	12/1987
	February	Insufficient Data		\$226,667	11/1987	12/1987
	March	Insufficient Data		\$226,667	11/1987	12/1987
	April	Insufficient Data		\$235,000	12/1987	4/1988
	May	Insufficient Data		\$235,000	12/1987	4/1988
	June	Insufficient Data		\$235,000	12/1987	4/1988
	July	Insufficient Data		\$235,000	12/1987	4/1988
	August	Insufficient Data		\$235,000	12/1987	4/1988
	September	Insufficient Data		\$235,000	12/1987	4/1988
	October	Insufficient Data		\$235,000	12/1987	4/1988
	November	Insufficient Data		\$235,000	12/1987	4/1988
	December	Insufficient Data		\$235,000	12/1987	4/1988
	All Year	Insufficient Data		\$235,000	12/1987	4/1988
Bristol Bay (503T)	January	\$100,000	\$179,000	\$150,208	11/1987	1/1988
	February	\$100,000	\$190,000	\$148,600	12/1987	2/1988
	March	\$90,000	\$220,000	\$154,143	1/1988	3/1988
	April	\$90,000	\$220,000	\$158,529	2/1988	4/1988
	May	\$90,000	\$220,000	\$161,117	3/1988	5/1988
	June	\$100,000	\$300,000	\$176,567	4/1988	6/1988
	July	\$100,000	\$300,000	\$180,142	5/1988	6/1988
	August	\$100,000	\$300,000	\$184,713	6/1988	8/1988
	September	\$128,000	\$262,000	\$227,000	8/1988	9/1988
	October	\$128,000	\$262,000	\$227,000	8/1988	9/1988
	November	\$230,000	\$280,000	\$257,833	9/1988	11/1988
	December	\$180,000	\$285,000	\$251,250	11/1988	12/1988
	All Year	\$90,000	\$300,000	\$173,406	1/1988	12/1988

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Fishery		Month	Low Value	High Value	Estimated Value	Earliest Transaction	Latest Transaction
SALMON SET GILLNET							
Yakutat	(504D)	January	Insufficient Data		\$28,000	12/1987	1/1988
		February	\$25,000	\$30,000	\$28,200	12/1987	2/1988
		March	\$25,000	\$31,750	\$28,792	1/1988	3/1988
		April	\$28,000	\$31,750	\$29,688	2/1988	3/1988
		May	Insufficient Data		\$30,383	3/1988	5/1988
		June	\$30,000	\$33,000	\$30,900	5/1988	6/1988
		July	\$28,000	\$33,000	\$30,617	5/1988	7/1988
		August	\$27,500	\$33,000	\$30,000	6/1988	8/1988
		September	\$27,500	\$33,000	\$30,000	6/1988	8/1988
		October	\$27,500	\$33,000	\$30,000	6/1988	8/1988
		November	\$27,500	\$33,000	\$30,000	6/1988	8/1988
		December	Insufficient Data		\$31,000	12/1988	12/1988
		All Year	\$25,000	\$33,000	\$29,734	1/1988	12/1988
Prince William Sound	(504E)	January	Insufficient Data		\$30,000	5/1987	10/1987
		February	Insufficient Data		\$30,000	5/1987	10/1987
		March	Insufficient Data		\$32,500	6/1987	3/1988
		April	Insufficient Data		\$32,500	6/1987	3/1988
		May	Insufficient Data		\$32,500	6/1987	3/1988
		June	Insufficient Data		\$32,500	6/1987	3/1988
		July	Insufficient Data		\$32,500	6/1987	3/1988
		August	Insufficient Data		\$32,500	6/1987	3/1988
		September	Insufficient Data		\$32,500	6/1987	3/1988
		October	Insufficient Data		\$32,500	6/1987	3/1988
		November	Insufficient Data		\$32,500	6/1987	3/1988
		December	Insufficient Data		\$49,833	10/1987	12/1988
		All Year	Insufficient Data		\$49,833	10/1987	12/1988
Cook Inlet	(504H)	January	\$10,000	\$60,000	\$36,808	11/1987	1/1988
		February	\$15,000	\$60,000	\$37,625	12/1987	2/1988
		March	\$14,333	\$60,000	\$43,083	1/1988	3/1988
		April	\$12,000	\$57,000	\$37,022	2/1988	4/1988
		May	\$12,000	\$60,000	\$42,717	3/1988	5/1988
		June	\$10,000	\$67,000	\$42,968	4/1988	6/1988
		July	\$10,000	\$67,000	\$46,164	5/1988	7/1988
		August	\$10,000	\$67,000	\$44,374	6/1988	8/1988
		September	Insufficient Data		\$51,000	7/1988	9/1988
		October	\$44,000	\$52,000	\$47,750	8/1988	10/1988
		November	Insufficient Data		\$46,333	9/1988	10/1988
		December	Insufficient Data		\$46,333	9/1988	10/1988
		All Year	\$10,000	\$67,000	\$43,766	1/1988	10/1988

COMMERCIAL FISHERIES ENTRY COMMISSION
1988 Estimated Monthly Permit Value Report

Fishery		Month	Low Value	High Value	Estimated Value	Earliest Transaction	Latest Transaction
SALMON SET GILLNET							
Kodiak	(SQ4K)	January	Insufficient Data		\$61,826	4/1987	6/1987
		February	Insufficient Data		\$61,826	4/1987	6/1987
		March	Insufficient Data		\$61,826	4/1987	6/1987
		April	Insufficient Data		\$61,826	4/1987	6/1987
		May	Insufficient Data		\$67,275	6/1987	5/1988
		June	Insufficient Data		\$67,275	6/1987	5/1988
		July	Insufficient Data		\$67,275	6/1987	5/1988
		August	Insufficient Data		\$67,275	6/1987	5/1988
		September	Insufficient Data		\$67,275	6/1987	5/1988
		October	Insufficient Data		\$67,275	6/1987	5/1988
		November	Insufficient Data		\$67,275	6/1987	5/1988
		December	Insufficient Data		\$78,942	5/1988	12/1988
		All Year	Insufficient Data		\$78,942	5/1988	12/1988
Alaska Peninsula	(SQ4M)	January	\$58,000	\$65,000	\$62,300	4/1987	11/1987
		February	Insufficient Data		\$68,875	11/1987	2/1988
		March	Insufficient Data		\$68,875	11/1987	2/1988
		April	Insufficient Data		\$68,875	11/1987	2/1988
		May	Insufficient Data		\$68,875	11/1987	2/1988
		June	Insufficient Data		\$68,875	11/1987	2/1988
		July	Insufficient Data		\$68,875	11/1987	2/1988
		August	Insufficient Data		\$68,875	11/1987	2/1988
		September	Insufficient Data		\$68,875	11/1987	2/1988
		October	Insufficient Data		\$68,875	11/1987	2/1988
		November	Insufficient Data		\$68,875	11/1987	2/1988
		December	Insufficient Data		\$85,542	2/1988	12/1988
		All Year	Insufficient Data		\$85,542	2/1988	12/1988
Upper Yukon	(SQ4P)	January	Insufficient Data		\$9,167	6/1987	8/1987
		February	Insufficient Data		\$9,167	6/1987	8/1987
		March	Insufficient Data		\$9,167	6/1987	8/1987
		April	Insufficient Data		\$9,167	6/1987	8/1987
		May	Insufficient Data		\$9,167	6/1987	8/1987
		June	\$7,500	\$10,000	\$8,875	6/1987	6/1988
		July	Insufficient Data		\$7,900	8/1987	7/1988
		August	Insufficient Data		\$7,900	8/1987	7/1988
		September	Insufficient Data		\$7,900	8/1987	7/1988
		October	Insufficient Data		\$8,733	6/1988	10/1988
		November	Insufficient Data		\$8,733	6/1988	10/1988
		December	Insufficient Data		\$8,733	6/1988	10/1988
		All Year	Insufficient Data		\$8,733	6/1988	10/1988

COMMERCIAL FISHERIES ENTRY COMMISSION
1988 Estimated Monthly Permit Value Report

Fishery		Month	Low Value	High Value	Estimated Value	Earliest Transaction	Latest Transaction
SALMON SET GILLNET							
Bristol Bay	(S04T)	January	\$34,000	\$46,000	\$40,500	11/1987	12/1987
		February	\$25,000	\$46,000	\$38,750	12/1987	2/1988
		March	\$25,000	\$50,000	\$42,000	2/1988	3/1988
		April	\$25,000	\$58,365	\$43,015	2/1988	4/1988
		May	\$35,000	\$58,365	\$44,283	3/1988	5/1988
		June	\$35,000	\$75,000	\$45,515	4/1988	6/1988
		July	\$35,000	\$75,000	\$46,464	5/1988	6/1988
		August	\$40,000	\$75,000	\$47,167	6/1988	6/1988
		September	Insufficient Data		\$56,333	9/1988	9/1988
		October	\$34,000	\$80,000	\$56,625	9/1988	10/1988
		November	\$34,000	\$80,000	\$54,643	9/1988	11/1988
		December	\$43,500	\$77,500	\$58,200	10/1988	12/1988
		All Year	\$25,000	\$80,000	\$46,508	2/1988	12/1988
Kuskokwim	(S04W)	January	Insufficient Data		\$9,667	7/1987	11/1987
		February	\$9,000	\$10,000	\$9,750	7/1987	2/1988
		March	Insufficient Data		\$10,000	11/1987	3/1988
		April	\$7,000	\$10,000	\$9,333	2/1988	4/1988
		May	\$7,000	\$10,000	\$9,333	3/1988	5/1988
		June	\$7,000	\$11,000	\$9,277	4/1988	6/1988
		July	\$7,000	\$11,000	\$9,569	5/1988	7/1988
		August	\$7,000	\$11,000	\$9,610	6/1988	8/1988
		September	\$7,000	\$11,000	\$9,810	6/1988	8/1988
		October	Insufficient Data		\$10,333	8/1988	10/1988
		November	Insufficient Data		\$10,333	10/1988	11/1988
		December	Insufficient Data		\$10,333	10/1988	11/1988
		All Year	\$7,000	\$11,000	\$9,669	2/1988	11/1988
Kotzebue	(S04X)	January	Insufficient Data		\$8,667	6/1987	1/1988
		February	Insufficient Data		\$9,333	11/1987	2/1988
		March	Insufficient Data		\$8,333	1/1988	3/1988
		April	Insufficient Data		\$8,333	1/1988	3/1988
		May	Insufficient Data		\$8,333	2/1988	5/1988
		June	Insufficient Data		\$8,186	5/1988	6/1988
		July	\$7,000	\$9,000	\$7,890	5/1988	7/1988
		August	\$7,000	\$9,000	\$8,140	6/1988	8/1988
		September	\$7,000	\$9,000	\$8,140	6/1988	8/1988
		October	\$7,000	\$9,000	\$8,140	6/1988	8/1988
		November	Insufficient Data		\$8,000	7/1988	11/1988
		December	Insufficient Data		\$8,333	8/1988	12/1988
		All Year	\$7,000	\$10,000	\$8,156	1/1988	12/1988

COMMERCIAL FISHERIES ENTRY COMMISSION
1988 Estimated Monthly Permit Value Report

Fishery		Month	Low Value	High Value	Estimated Value	Earliest Transaction	Latest Transaction
SALMON SET GILLNET							
Lower Yukon	(S04Y)	January	\$19,500	\$30,000	\$23,000	10/1987	1/1988
		February	\$19,500	\$30,000	\$23,000	10/1987	1/1988
		March	\$19,500	\$30,000	\$23,000	10/1987	1/1988
		April	\$19,500	\$30,000	\$23,000	10/1987	1/1988
		May	Insufficient Data		\$13,667	5/1988	5/1988
		June	\$10,000	\$25,000	\$17,667	5/1988	6/1988
		July	\$10,000	\$25,000	\$17,667	5/1988	6/1988
		August	\$20,000	\$25,000	\$21,300	6/1988	8/1988
		September	\$20,000	\$25,000	\$21,840	6/1988	9/1988
		October	\$20,000	\$25,000	\$21,840	6/1988	9/1988
		November	Insufficient Data		\$21,400	8/1988	11/1988
		December	Insufficient Data		\$26,667	11/1988	12/1988
		All Year	\$10,000	\$35,000	\$20,669	1/1988	12/1988
Morton Sound	(S04Z)	January	\$7,000	\$12,000	\$9,750	2/1987	3/1987
		February	\$7,000	\$12,000	\$9,750	2/1987	3/1987
		March	\$7,000	\$12,000	\$9,750	2/1987	3/1987
		April	\$7,000	\$12,000	\$9,750	2/1987	3/1987
		May	\$7,000	\$12,000	\$9,750	2/1987	3/1987
		June	\$7,000	\$12,000	\$9,750	2/1987	3/1987
		July	\$7,000	\$12,000	\$9,750	2/1987	3/1987
		August	\$7,000	\$12,000	\$9,750	2/1987	3/1987
		September	\$7,000	\$12,000	\$10,000	3/1987	9/1988
		October	\$7,000	\$12,000	\$10,000	3/1987	9/1988
		November	\$7,000	\$12,000	\$10,000	3/1987	9/1988
		December	Insufficient Data		\$10,167	9/1988	12/1988
		All Year	Insufficient Data		\$10,167	9/1988	12/1988
SALMON HAND TROLL							
Southeast	(S05B)	January	\$5,000	\$7,000	\$5,867	11/1987	1/1988
		February	\$5,000	\$7,000	\$5,933	12/1987	2/1988
		March	\$5,000	\$7,000	\$5,928	1/1988	3/1988
		April	\$5,000	\$7,500	\$6,164	2/1988	4/1988
		May	\$5,000	\$7,500	\$6,485	3/1988	5/1988
		June	\$5,000	\$7,700	\$6,570	4/1988	6/1988
		July	\$5,000	\$8,000	\$6,650	5/1988	7/1988
		August	\$5,000	\$8,000	\$6,611	6/1988	8/1988
		September	\$5,000	\$8,000	\$6,656	7/1988	9/1988
		October	\$5,000	\$8,000	\$6,733	8/1988	10/1988
		November	\$6,000	\$8,000	\$6,979	9/1988	11/1988
		December	\$5,000	\$8,000	\$7,013	10/1988	12/1988
		All Year	\$5,000	\$8,000	\$6,503	1/1988	12/1988

COMMERCIAL FISHERIES ENTRY COMMISSION
1988 Estimated Monthly Permit Value Report

Fishery		Month	Low Value	High Value	Estimated Value	Earliest Transaction	Latest Transaction
SALMON FISH WHEEL							
Upper Yukon	(S08P)	January	\$8,000	\$12,000	\$9,758	6/1987	10/1987
		February	\$8,000	\$12,000	\$9,758	6/1987	10/1987
		March	\$8,000	\$12,000	\$9,758	6/1987	10/1987
		April	Insufficient Data		\$9,083	7/1987	4/1988
		May	Insufficient Data		\$9,083	7/1987	4/1988
		June	Insufficient Data		\$9,167	4/1988	6/1988
		July	Insufficient Data		\$9,167	4/1988	6/1988
		August	Insufficient Data		\$9,167	4/1988	6/1988
		September	Insufficient Data		\$9,167	4/1988	6/1988
		October	Insufficient Data		\$9,167	4/1988	6/1988
		November	Insufficient Data		\$7,667	6/1988	11/1988
		December	\$5,000	\$11,000	\$8,500	6/1988	12/1988
		All Year	\$5,000	\$11,000	\$8,700	4/1988	12/1988
SALMON POWER TROLL							
Southeast	(S15B)	January	\$17,000	\$35,000	\$27,889	11/1987	1/1988
		February	\$17,000	\$35,000	\$27,656	12/1987	2/1988
		March	\$15,000	\$35,000	\$27,760	1/1988	3/1988
		April	\$15,000	\$31,000	\$28,297	2/1988	4/1988
		May	\$15,000	\$32,500	\$29,067	3/1988	5/1988
		June	\$25,000	\$33,000	\$30,203	4/1988	6/1988
		July	\$25,000	\$33,000	\$30,583	5/1988	7/1988
		August	\$25,000	\$33,000	\$30,719	6/1988	7/1988
		September	\$30,000	\$32,000	\$30,941	7/1988	9/1988
		October	\$30,000	\$32,000	\$30,926	9/1988	10/1988
		November	\$30,000	\$35,000	\$31,672	9/1988	11/1988
		December	\$30,000	\$35,000	\$32,143	10/1988	12/1988
		All Year	\$15,000	\$35,000	\$29,568	1/1988	12/1988

TABLE 1
STATE OF ALASKA REVENUES FROM NATURAL RESOURCES IN FY 88: COMMERCIAL AND SPORT FISHING

REVENUE SOURCE	FY 88 REVENUES			RATE OR METHOD OF REVENUE GENERATION	APPLICABLE STATUTES	LAST MAJOR CHANGE TO STATUTES	TAX CREDITS OR ADJUSTMENT
	GROSS REVENUES	SPECIAL FUNDS	GENERAL FUND				
STATE REVENUE							
TAXES							
Alaska Net Income Tax	\$53,032		\$53,032	Tax based on the entire taxable income derived from sources within the state on a progressive scale from 1%-9.4%.	AS 43.20.011-.350	Ch 116, 117 SLA 1981 repealed separate accounting	Education Tax Credit AS 43.20.014
Fisheries Business Tax					AS 43.75.015-.140	Ch 79 SLA 1986 established Fisheries Business Tax Credit	Fisheries Business Tax Credit AS 43.75.032 Fisheries Business Education Tax Credit AS 43.75.018
Established Commercial Fisheries							
Canned Salmon-Shorebased	3,683,603		3,683,603	4.5 % of purchase value			
Shorebased	9,385,110		9,385,110	3.0 % of purchase value			
Floating	7,660,522		591,310	5.0 % of purchase value			
Developing Fisheries							
Shorebased	591,310		950,595	1.0 % of purchase value			
Floating	950,595		7,660,522	3.0 % of purchase value			
Pre FY 87 Adjustment	(7,707)		(7,707)				
Salmon Enhancement Tax					AS 43.76.010-.015	15 Ch 117 SLA 1981 allowed termination of tax upon vote of regional association members	
Prince William Sound	1,273,035		1,273,035	2 % of exvessel value of salmon			
Cook Inlet	2,276,967		2,276,967	2 % of exvessel value of salmon			
Northern Southeast	1,269,368		1,269,368	3 % of exvessel value of salmon			
Southern Southeast	872,032		872,032	3 % of exvessel value of salmon			
Penalty and interest (statewide)	77,388		77,388				
Seafood Marketing Assessment	2,669,877		2,669,877	0.3 % of purchase value for processors purchasing > \$50,000/yr. of fisheries products.	AS 16.51.120-.140	Ch 129 SLA 1986 and Ch 95 SLA 1987 made ASMI budget dependent on increasing assessment rate	
SALES							
Confiscated Fish Sales	19,703		19,703				
Test Fish Sales	849,110	849,110					
FEES							
Commercial Fishing Licenses	1,502,797	1,040,688	462,109	varies from \$30/yr. residents to \$90/yr. nonresidents	AS 16.05.480	7 Ch 105 SLA 1977 required registration of all fishing vessels	

Alaska State Senate
Eighteenth Legislature
First Session

RCS# 993
Item 37

05-11-93
19:09:10

CSHB 264(FIN)

Third Reading - On Reconsideration
Effective Date

Yeas:	11	Frank, Halford, Jacko, Kelly, Leman, Miller, Pearce, Phillips, Rieger, Sharp, Taylor
Nays:	9	Adams, Donley, Duncan, Ellis, Kerttula, Lincoln, Little, Salo, Zharoff
Excused:	0	
Absent:	0	

Alaska State Senate
Eighteenth Legislature
First Session

RCS# 994
Item 38

05-11-93
19:10:22

CSHB 264(FIN)

Effective Date

Yeas: 18 Donley, Duncan, Frank, Halford, Jacko,
Kelly, Kerttula, Leman, Lincoln, Little,
Miller, Pearce, Phillips, Rieger, Salo,
Sharp, Taylor, Zharoff

Nays: 2 Adams, Ellis

Excused: 0

Absent: 0

Duncan changed from "Nay" to "Yea".
Little changed from "Nay" to "Yea".
Kerttula changed from "Nay" to "Yea".
Lincoln changed from "Nay" to "Yea".

Alaska State Senate
Eighteenth Legislature
First Session

RCS# 928
Item 27

05-09-93
16:42:55

CSHB 264 (FIN)

Third Reading - On Reconsideration
Effective Date

Yeas:	10	Frank, Halford, Jacko, Kelly, Leman, Miller, Phillips, Rieger, Sharp, Taylor
✓ Nays:	10	Adams, Donley, Duncan, Ellis, Kerttula, Lincoln, Little, <u>Pearce</u> , Salo, Zharoff
Excused:	0	
Absent:	0	

05/09/93

SENATE JOURNAL

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-HB 264 -

CS FOR HOUSE BILL NO. 264(FIN) which had been held to the May 9 calendar (page 2219) was before the Senate on reconsideration.

The question to be reconsidered: "Shall CS FOR HOUSE BILL NO. 264(FIN) "An Act levying and providing for the collection of and disposition of the proceeds of a fishery resource landing tax; and providing for an effective date" pass the Senate?" The roll was taken with the following result:

CSHB 264(FIN)

Third Reading - On Reconsideration
Effective Date

-YEAS: 10 NAYS: 10 EXCUSED: 0 ABSENT: 0-

Yeas: Frank, Halford, Jacko, Kelly, Leman, Miller, Phillips, Rieger, Sharp, Taylor

Nays: Adams, Donley, Duncan, Ellis, Kerttula, Lincoln, Little,
Pearson Salo, Zharoff

and so, CS FOR HOUSE BILL NO. 264(FIN) failed.

05/09/93

SENATE JOURNAL

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-HB 264-

Senator Jacko moved that the Senate rescind its previous action in failing CS FOR HOUSE BILL NO. 264(FIN).

Senator Taylor moved and asked unanimous consent that CS FOR HOUSE BILL NO. 264(FIN) and the rescinding motion be held to the May 10 calendar. Without objection, it was so ordered.

Alaska State Senate
Eighteenth Legislature
First Session

RCS# 928
Item 27

05-09-93
16:42:55

CSHB 264(FIN)

Third Reading - On Reconsideration
Effective Date

Yeas:	10	Frank, Halford, Jacko, Kelly, Leman, Miller, Phillips, Rieger, Sharp, Taylor
Nays:	10	Adams, Donley, Duncan, Ellis, Kerttula, Lincoln, Little, Pearce, Salo, Zharoff
Excused:	0	
Absent:	0	

8-LS0941\X
Chenoweth
4/25/93

CS FOR HOUSE BILL NO. 264(FINANCE
IN THE LEGISLATURE OF THE STATE OF ALASKA
EIGHTEENTH LEGISLATURE - FIRST SESSION

BY

Offered:
Referred:

Sponsor(s): HOUSE RULES COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 "An Act levying and providing for the collection of and disposition of the
2 proceeds of a fishery resource landing tax; and providing for an effective date."

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

4 * Section 1. AS 43 is amended by adding a new chapter to read:

5 CHAPTER 77. FISHERY RESOURCE LANDING TAX.

6 Sec. 43.77.010. LANDING TAX. A person owning a fishery resource that is
7 not subject to AS 43.75 but that is brought into the jurisdiction of, and first landed in,
8 this state is liable for and shall pay a landing tax on the value of the fishery resource.
9 The amount of the landing tax is 3.3 percent of the value of the fishery resource at the
10 place of the landing.

11 Sec. 43.77.020. FILING RETURN AND PAYMENT OF TAX. (a) A person
12 subject to the tax under this chapter shall file a return stating the value of fishery
13 resources landed in the state that are subject to the tax, the point of landing of the
14 fishery resource, and other information the department requires by regulation.

1 (b) The return shall be made on the basis of the calendar year to the
2 department at Juneau before April 1 after the close of the calendar year, and the tax
3 shall be paid with the return.

4 (c) The department may, under regulations it adopts, grant a reasonable
5 extension of time for the filing. A grant of an extension of time for filing does not
6 extend the time for payment of the tax.

7 Sec. 43.77.030. CREDIT FOR OTHER TAXES PAID. The department shall
8 grant a credit, not to exceed the taxpayer's liability for the tax under this chapter on
9 a fishery resource, to a taxpayer for taxes equivalent in nature to those imposed under
10 AS 43.75 and AS 43.76 that are paid to another jurisdiction in which the fishery
11 resource was either caught, processed, or sold.

12 Sec. 43.77.040. CREDIT FOR APPROVED CONTRIBUTIONS. (a) A
13 taxpayer who harvests a fishery resource under the provisions of a community
14 development quota may claim as a credit, against not more than 45.45 percent of the
15 tax under this chapter that is due on the value of the fishery resource harvested under
16 the community development quota, the taxpayer's contributions made during the tax
17 year to a nonprofit corporation incorporated under the laws of the state that are used
18 ~~in the state~~ by the recipient for one or more of the following purposes:

19 (1) scholarships for study in the state in the disciplines of fisheries
20 management, fisheries business administration, or another related course or discipline;
21 (2) training in the state for employment in the seafood industry;
22 (3) making contributions of capital, in the form of loans or grants, to
23 construct or improve

24 (A) transportation facilities in the state such as airports and
25 docks that are used for the unloading, transferring, or shipment of fisheries
26 products; or

27 (B) facilities in the state at which fisheries products are canned,
28 frozen, or otherwise processed for inventory, including floating facilities that
29 are documented under the laws of the United States as defined in 46 U.S.C.
30 App. 801;

31 (4) awarding grants for research projects relating to Alaska fisheries.

(b) A taxpayer who makes a contribution that qualifies for the credit authorized by (a) of this section must apply to obtain the credit. The taxpayer shall apply to the department in the manner provided by the department by regulation, and shall provide to the commissioner all information relating to the contribution that may be required by the department. Upon receipt of a complete application, the department, in consultation with the Department of Community and Regional Affairs, shall approve or disapprove the application for the credit within 60 days.

(c) The department shall revoke a prior approval of a tax credit and may not allow a tax credit under this section if (1) the department determines that the contribution does not qualify under (a) of this section; or (2) the taxpayer claiming the credit is in arrears in the payment of a tax levied in this title. For purposes of this subsection, a taxpayer is not in arrears if the payment is under administrative or judicial appeal.

(d) A contribution allowed as a credit under this section may not be claimed as a credit under another provision of this title.

Sec. 43.77.050. SEPARATE ACCOUNTING. (a) An amount of tax paid equal to 3/10 of one percent of the value of the fishery resource shall be paid into a separate account in the general fund. The annual balance in the account may be appropriated by the legislature to the Alaska Seafood Marketing Institute.

(b) After payment of the amount determined under (a) of this section, the balance of the tax collected under this chapter shall be paid into a separate account in the general fund. The annual balance in the account, ~~less all tax credits approved by the commissioner under AS 43.77.040(b),~~ may be appropriated by the legislature for revenue sharing under AS 43.77.060. *The amount of all tax credits approved by the commissioner under AS 43.77.040(b) shall be deducted from amounts paid to the municipality under AS 43.77.060(c).*

Sec. 43.77.060. REVENUE SHARING. (a) Subject to appropriation by the legislature and except as provided in (b) of this section, the commissioner shall pay to each

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

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

(3) borough

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

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

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

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

(A) 45 percent of the tax revenue collected during the calendar year in which the borough is incorporated;

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

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

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

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

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

(B) 10 percent of the tax revenue collected during the first

1 calendar year after the calendar year in which the borough is incorporated;

2 (C) 15 percent of the tax revenue collected during the second
3 calendar year after the calendar year in which the borough is incorporated; and

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

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

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

17 (e) ~~In this section, "tax revenue collected" does not include amounts credited~~
18 ~~against taxes under AS 43.77.040.~~ *Delete*

19 Sec. 43.77.070. REGULATIONS. The department shall adopt regulations to
20 implement and interpret this chapter.

21 Sec. 43.77.200. DEFINITIONS. In this chapter,

22 (1) "community development quota" has the meaning given that term
23 in a regulation adopted by the Office of the Governor, under authority granted by art.
24 III, secs. 1 and 24, Constitution of the State of Alaska, to implement a program of the
25 North Pacific Fishery Management Council to set aside fisheries resources for
26 community development purposes in western Alaska;

27 (2) "fishery resource" means finfish, shellfish, and fish by-products,
28 including salmon, halibut, herring, flounder, crab, clams, cod, shrimp, and pollock;

29 (3) "landing" means the act of unloading or transferring a fishery
30 resource;

31 (4) "process"

(A) means any activity that modifies the physical condition of the resource, including butchering, freezing, salting, cooking, canning, dehydrating, or smoking;

(B) does not include decapitating shrimp, or gutting, gilling, sliming, washing, or icing a resource solely for the purpose of maintaining the quality of the fresh resource;

(5) "tax" means the fishery resource landing tax levied and collected under this chapter;

(6) "value" means the unprocessed value of the fishery resource based on the statewide average price paid for the fisheries resource as reported during the year to the Department of Fish and Game under AS 16.05.690.

* Sec. 2. AS 29.60.450(b) is amended to read:

(b) The amount transmitted each fiscal year

(1) under AS 43.75.137 shall be apportioned by the department to each management area based on the ratio of the management area's production value to the total production value for all of the management areas; the [THE] department shall allocate the amount available for each management area to each municipality in that management area based on the demonstrated effects on the municipality of fisheries business activities, the commercial fishing vessel days in that municipality, or both;

(2) under AS 43.77.060(d) shall be apportioned by the department to each management area based on the ratio of the management area's fishery resource landing tax production value to the total fishery resource landing tax production value for all of the management areas; the department shall allocate the amount available for each management area to each municipality in that management area based on the demonstrated effects on the municipality of fisheries activities that are subject to the tax levied under AS 43.77.

* Sec. 3. AS 29.60.450(f) is amended by adding a new paragraph to read:

(7) "fishery resource landing tax production value" has the meaning given the term "value" by AS 43.77.200;

* Sec. 4. This Act takes effect January 1, 1994.

8-LS0941NU
Chenoweth
4/24/93

CS FOR HOUSE BILL NO. 264()

IN THE LEGISLATURE OF THE STATE OF ALASKA

EIGHTEENTH LEGISLATURE - FIRST SESSION

BY

**Offered:
Referred:**

Sponsor(s): HOUSE RULES COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 "An Act levying and providing for the collection of and disposition of the
2 proceeds of a fishery resource landing tax; and providing for an effective date."

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

4 * **Section 1.** AS 43 is amended by adding a new chapter to read:

5 **CHAPTER 77. FISHERY RESOURCE LANDING TAX.**

6 **Sec. 43.77.010. LANDING TAX.** A person owning a fishery resource that is
7 not subject to AS 43.75 but that is brought into the jurisdiction of, and first landed in,
8 this state is liable for and shall pay a landing tax on the value of the fishery resource.
9 The amount of the landing tax is 3.3 percent of the value of the fishery resource at the
10 place of the landing.

11 **Sec. 43.77.020. FILING RETURN AND PAYMENT OF TAX.** (a) A person
12 subject to the tax under this chapter shall file a return stating the value of fishery
13 resources landed in the state that are subject to the tax, the point of landing of the
14 fishery resource, and other information the department requires by regulation.

(b) The return shall be made on the basis of the calendar year to the department at Juneau before April 1 after the close of the calendar year, and the tax shall be paid with the return.

(c) The department may, under regulations it adopts, grant a reasonable extension of time for the filing. A grant of an extension of time for filing does not extend the time for payment of the tax.

Sec. 43.77.030. CREDIT FOR OTHER TAXES PAID. The department shall grant a credit, not to exceed the taxpayer's liability for the tax under this chapter on a fishery resource, to a taxpayer for taxes equivalent to those imposed under AS 43.75 and AS 43.76 that are paid to another jurisdiction in which the fishery resource was either caught, processed, or sold.

Sec. 43.77.040. CREDIT FOR APPROVED CONTRIBUTIONS. (a) A taxpayer who harvests a fishery resource under the provisions of a community development quota may claim as a credit

(1) the taxpayer's contributions made during the tax year to a nonprofit corporation incorporated under the laws of the state that are used by the recipient for one or more of the purposes set out in (b) of this section; the taxpayer's claim of a credit under this paragraph may not exceed 45.45 percent of the tax due under this chapter; and

(2) the amount of a credit allowable under (c) of this section.

(b) A taxpayer may claim a credit under (a)(1) of this section for contributions made by the taxpayer and used by the recipient for one or more of the following purposes:

- (1) scholarships for study in the state in the disciplines of fisheries management, fisheries business administration, or another related course or discipline;
- (2) training in the state for employment in the seafood industry;
- (3) making contributions of capital, in the form of loans or grants, to construct or improve

(A) transportation facilities in the state such as airports and docks that are used for the unloading, transferring, or shipment of fisheries products; or

proper community clause

*imposed separately
Sales tax
are not equivalent*

*Revenue -
not in 1983*

*community
non-profit corp.
Revenue
opposed tax
credits.*

*highly sensitive
municipalities.*

*nature of tax
processing
of salmon
inherent
would be
equivalent*

*based upon the
nature of the CDP*

add here

*in the payments
against the tax on the value
of the resources taken under
those community
development quota.*

(B) facilities in the state at which fisheries products are canned, frozen, or otherwise processed for inventory, including floating facilities that are documented under the laws of the United States as defined in 46 U.S.C. App. 801;

(4) awarding grants for research projects relating to Alaska fisheries.

(c) For taxes levied and collected within a municipality that has, under AS 43.77.060(e), waived its right to receive shared revenue under AS 43.77.060(a) - (c), a taxpayer may claim a credit under (a)(2) of this section of an amount not to exceed the amount of the tax revenue collected from the taxpayer by the state within that municipality that, under AS 43.77.060(a) or (b), would have been distributed to the municipality but for the operation of the waiver.

(d) A taxpayer who makes a contribution that qualifies for the credit authorized by (a) of this section must apply to obtain the credit. The taxpayer shall apply to the department in the manner provided by the department by regulation, and shall provide to the commissioner all information relating to the contribution that may be required by the department. Upon receipt of a complete application, the department, in consultation with the Department of Community and Regional Affairs, shall approve or disapprove the application for the credit within 60 days.

(e) The department shall revoke a prior approval of a tax credit and ~~may not approve an application for a tax credit under this section if (1) the department determines that the contribution does not qualify under (a) of this section, or (2) the taxpayer claiming the credit is in arrears in the payment of a tax levied in this title. For purposes of this subsection, a taxpayer is not in arrears if the payment is under administrative or judicial appeal.~~ *shall not allow*

(f) A contribution allowed as a credit under this section may not be claimed as a credit under another provision of this title.

Sec. 43.77.050. SEPARATE ACCOUNTING. (a) An amount of tax paid equal to 3/10 of one percent of the value of the fishery resource shall be paid into a separate account in the general fund. The annual balance in the account may be appropriated by the legislature to the Alaska Seafood Marketing Institute.

(b) After payment of the amount determined under (a) of this section, the

*municipal
waivers
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all not just a portion*

*have municipalities
don't share the
credit spent*

**
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right to
give a
revoke a*

1 balance of the tax collected under this chapter shall be paid into a separate account in
2 the general fund. The annual balance in the account, less all tax credits approved by
3 the commissioner under AS 43.77.040(d), may be appropriated by the legislature for
4 revenue sharing under AS 43.77.060.

5 Sec. 43.77.060. REVENUE SHARING. (a) Subject to appropriation by the
6 legislature and except as provided in (b) of this section, the commissioner shall pay
7 to each

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

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

15 (3) borough

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

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

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

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

28 (A) 45 percent of the tax revenue collected during the calendar
29 year in which the borough is incorporated;

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

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

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

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

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

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

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

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

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

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

(e) A municipality may waive or forgo the claim of payment of tax revenue collected and due the municipality under (a) - (c) of this section, and a municipality that has opted to waive or forgo the claim of a payment may revoke its decision to waive or forgo the claim of a payment. A municipality taking action authorized by

1 this subsection shall act by ordinance. Notice of the adoption of the ordinance shall
2 be promptly transmitted by the municipal clerk to the commissioner, and the waiver
3 of receipt of payments or revocation of the decision to waive the receipt of payments
4 is effective on January 1 of the calendar year following the effective date of the
5 ordinance. If, under this subsection, a borough containing cities or a city within a
6 borough adopts an ordinance to waive or forgo the claim of payments on tax revenue
7 collected in and due the municipality, the waiver affects only amounts due the
8 municipality adopting the ordinance and does not apply to the levy and collection of
9 the tax, the calculation of payments due under this section, or the ability of a taxpayer
10 to claim a credit authorized by AS 43.77.010(a)(2) on taxes collected in the
11 municipality not adopting the ordinance.

12 (f) In this section, "tax revenue collected" does not include amounts credited
13 against taxes under AS 43.77.040.

14 Sec. 43.77.070. REGULATIONS. The department shall adopt regulations to
15 implement and interpret this chapter.

16 Sec. 43.77.200. DEFINITIONS. In this chapter,

17 (1) "community development quota" has the meaning given that term
18 in a regulation adopted by the Office of the Governor, under authority granted by art.
19 III, secs. 1 and 24, Constitution of the State of Alaska, to implement a program of the
20 North Pacific Fishery Management Council to set aside fisheries resource for
21 community development purposes in western Alaska;

22 (2) "fishery resource" means finfish, shellfish, and fish by-products,
23 including salmon, halibut, herring, flounder, crab, clams, cod, shrimp, and pollock;

24 (3) "landing" means the act of unloading or transferring a fishery
25 resource;

26 (4) "process"

27 (A) means any activity that modifies the physical condition of
28 the resource, including butchering, freezing, salting, cooking, canning,
29 dehydrating, or smoking;

30 (B) does not include decapitating shrimp, or gutting, gilling,
31 sliming, washing, or icing a resource solely for the purpose of maintaining the

**THE
FOLLOWING
DOCUMENTS
ARE
POOR
ORIGINAL
COPIES**

1 quality of the fresh resource;

2 (5) "tax" means the fishery resource landing tax levied and collected

3 under this chapter;

no definition of
ex-vessel value
Revenue OK

4 [REDACTED]
5 [REDACTED]
6 [REDACTED]
7 * Sec. 2. AS 29.60.450(b) is amended to read:

8 (b) The amount transmitted each fiscal year

9 (1) under AS 43.75.137 shall be apportioned by the department to each
10 management area based on the ratio of the management area's production value to the
11 total production value for all of the management areas; the [THE] department shall
12 allocate the amount available for each management area to each municipality in that
13 management area based on the demonstrated effects on the municipality of fisheries
14 business activities, the commercial fishing vessel days in that municipality, or both;

15 (2) under AS 43.77.060(d) shall be apportioned by the department
16 to each management area based on the ratio of the management area's fishery
17 resource landing tax production value to the total fishery resource landing tax
18 production value for all of the management areas; the department shall allocate
19 the amount available for each management area to each municipality in that
20 management area based on the demonstrated effects on the municipality of
21 fisheries activities that are subject to the tax levied under AS 43.77.

22 * Sec. 3. AS 29.60.450(f) is amended by adding a new paragraph to read:

23 (7) "fishery resource landing tax production value" has the meaning
24 given the term "value" by AS 43.77.200;

25 * Sec. 4. This Act takes effect January 1, 1994.

8-LS0941V
Chenoweth
4/12/93

CS FOR HOUSE BILL NO. 264(FSH)
IN THE LEGISLATURE OF THE STATE OF ALASKA
EIGHTEENTH LEGISLATURE - FIRST SESSION

BY THE HOUSE SPECIAL COMMITTEE ON FISHERIES

Offered:
Referred:

Sponsor(s): HOUSE RULES COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 "An Act levying and collecting a fishery resource landing tax; and providing for
2 an effective date."

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

4 * Section 1. AS 43 is amended by adding a new chapter to read:

5 **CHAPTER 77. FISHERY RESOURCE LANDING TAX.**

6 Sec. 43.77.010. LANDING TAX. A person owning a fishery resource that is
7 not subject to AS 43.75 but that is brought into the jurisdiction of, and first landed in,
8 this state is liable for and shall pay a landing tax on the value of the fishery resource.
9 The amount of the landing tax is 3.3 percent of the value of the fishery resource at the
10 place of the landing.

11 Sec. 43.77.020. FILING RETURN AND PAYMENT OF TAX. (a) A person
12 subject to the tax under this chapter shall file a return stating the value of fishery
13 resources landed in the state that are subject to the tax, the point of landing of the
14 fishery resource, and other information the department requires by regulation.

1 (b) The return shall be made on the basis of the calendar year to the
2 department at Juneau before April 1 after the close of the calendar year, and the tax
3 shall be paid with the return.

4 (c) The department may, under regulations it adopts, grant a reasonable
5 extension of time for the filing. A grant of an extension of time for filing does not
6 extend the time for payment of the tax.

7 Sec. 43.77.030. CREDIT FOR TAXES PAID OTHER STATES. The
8 department shall grant a credit, not to exceed the taxpayer's liability for the tax under
9 this chapter on a fishery resource, to a taxpayer for taxes equivalent to those imposed
10 under AS 43.75 and AS 43.76 that are paid to another state in which the fishery
11 resource was either caught or processed.

12 Sec. 43.77.040. SEPARATE ACCOUNTING. (a) The tax collected on the
13 levy of 3/10 of one percent of the value of the fishery resource under AS 43.77.010
14 shall be paid into a separate account in the general fund. The annual estimated
15 balance in the account may be appropriated by the legislature to the Alaska Seafood
16 Marketing Institute. *and for other public purposes.*

17 (b) The tax collected on the levy of three percent of the value of the fishery
18 resource under AS 43.77.010 shall be paid into a separate account in the general fund.
19 The annual estimated balance in the account may be appropriated by the legislature for
20 revenue sharing under AS 43.77.050, *delete.* ~~and for other public purposes.~~

21 Sec. 43.77.050. REVENUE SHARING. (a) Subject to appropriation by the
22 legislature and except as provided in (b) of this section, the commissioner shall pay
23 to each

24 (1) unified municipality and to each city located in the unorganized
25 borough, 50 percent of the amount of tax revenue collected from taxes levied under
26 this chapter on the fishery resource landed in the municipality and accounted for under
27 AS 43.77.040(b);

28 (2) city located within a borough, 25 percent of the amount of the tax
29 revenue collected from taxes levied under this chapter on fishery resources landed in
30 the city and accounted for under AS 43.77.040(b); and

31 (3) borough

(A) 50 percent of the amount of the tax revenue collected from taxes levied under this chapter on fishery resources landed in the area of the borough outside cities and accounted for under AS 43.77.040(b); and

(B) 25 percent of the amount of the tax revenue collected from taxes levied under this chapter on fishery resources landed in cities located within the borough and accounted for under AS 43.77.040(b).

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

(1) city that is located in a borough incorporated after the effective date of this Act, the following percentages of the tax revenue collected from taxes levied under this chapter on fishery resources landed in the city and accounted for under AS 43.77.040(b):

(A) 45 percent of the tax revenue collected during the calendar year in which the borough is incorporated;

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

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

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

(2) borough that is incorporated after the effective date of this Act, the following percentages of the tax revenue collected from taxes levied under this chapter on fishery resources landed in the cities located within the borough and accounted for under AS 43.77.040(b):

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

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

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

(D) 20 percent of the tax revenue collected during the third

calendar year after the calendar year in which the borough is incorporated.

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

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

Sec. 43.77.060. REGULATIONS. The department shall adopt regulations to implement and interpret this chapter.

Sec. 43.77.200. DEFINITIONS. In this chapter,

(1) "fishery resource" means finfish, shellfish, and fish by-products, including salmon, halibut, herring, flounder, crab, clams, cod, shrimp, and pollock;

(2) "landing" means the act of unloading or transferring a fishery resource;

(3) "market value" means the highest price a willing buyer would pay and a willing seller would accept for a fishery resource if both are fully informed and neither is under any compulsion to buy or sell, as determined by the department under regulations adopted to make value determinations;

(4) "process"

(A) means any activity that modifies the physical condition of the resource, including butchering, freezing, salting, cooking, canning, dehydrating, or smoking;

(B) does not include decapitating shrimp, or gutting, gilling, sliming, washing, or icing a resource solely for the purpose of maintaining the quality of the fresh resource;

(5) "tax" means the fishery resource landing tax levied and collected

1 under this chapter;

2 (6) "value" means the lesser of

3 (A) the market value of the processed fishery resource at the
4 time and place the resource becomes subject to the tax under this chapter; or

5 (B) the statewide average price paid in the year for unprocessed
6 fisheries resources as reported to, and the results compiled and released by, the
7 Department of Fish and Game.

8 * Sec. 2. AS 29.60.450(b) is amended to read:

9 (b) The amount transmitted each fiscal year

10 (1) under AS 43.75.137 shall be apportioned by the department to each
11 management area based on the ratio of the management area's production value to the
12 total production value for all of the management areas; ~~the~~ [THE] department shall
13 allocate the amount available for each management area to each municipality in that
14 management area based on the demonstrated effects on the municipality of fisheries
15 business activities, the commercial fishing vessel days in that municipality, or both;

16 (2) under AS 43.77.050(d) shall be apportioned by the department
17 to each management area based on the ratio of the management area's fishery
18 resource landing tax production value to the total fishery resource landing tax
19 production value for all of the management areas; the department shall allocate
20 the amount available for each management area to each municipality in that
21 management area based on the demonstrated effects on the municipality of
22 fisheries activities that are subject to the tax levied under AS 43.77.

23 * Sec. 3. AS 29.60.450(f) is amended by adding a new paragraph to read:

24 (7) "fishery resource landing tax production value" has the meaning
25 given the term "value" by AS 43.77.200;

26 * Sec. 4. This Act takes effect January 1, 1994.

FORUM / LETTERS

Landing tax will be a detriment to western Alaska

By DEWEY SCHWALENBERG

The fishery landing tax passed by the Alaska Legislature earlier this month may look like a good idea, but it's destined to fail the people who most deserve to benefit from such a tax.

I'm referring, of course, to the people of western Alaska, who live in coastal communities bordering the Bering Sea, one of the richest fisheries in the world. It is these people who have come to depend the most on the factory trawlers now operating in their back yard. They will now see a big chunk of the proceeds from the trawlers moved elsewhere.

Those who will be hurt the most are the people residing in the more than 75 coastal villages who are not currently associated with the 55 villages in the Community Development Quota Program.

House Bill 264 represents a classic example of what can be lost if the appropriate consideration is not given to all sides of an issue. On its face, the bill looks like it will provide an infusion of much needed revenue from the offshore fisheries industry. In fact, howev-



er, the consequences of the bill represent a substantially different picture to the coastal villages of the Bering Sea.

Although it is estimated that more than \$9 million will be generated annually from the 3.3 percent tax on the trawlers' fish landings, less than \$300,000 will actually become available to economically depressed western Alaska villages.

As the executive director of the Bering Sea Commercial Fisheries Development Foundation, I am in charge of a substantial fund of money, contributed voluntarily by members of the American Factory Trawler Association. AFTA members already have contributed directly to western Alaska through several programs. For example, their contributions have provided education, training and employment to nearly 200 western Alaska residents. Salaries and wages of these employees were in excess of

\$2.4 million.

All we're asking is for the factory trawler companies to be treated equitably to the direct benefit of western Alaska communities. The economic reality is if trawlers pay the money for the tax, it's likely they will not contribute to the foundation or other programs that directly benefit the people of western Alaska.

The reason the bill will fail the people of western Alaska is because it is simply another example of the government bureaucracy practicing "trickle down" economics. Of the \$9 million tax, a full 50 percent will be placed into Alaska's general fund. The other half will go to some of the most economically developed areas of rural Alaska, such as Kodiak and Dutch Harbor. By contrast, the foundation currently is focusing its attention on developing the economies of such villages as Mekoryuk, Chevak, Emmonak, Savoonga and Gambell, to name a few.

Sadly, this bill represents another case of the rich getting richer, while the poor get poorer.

It doesn't have to be that way.

The economic reality is if trawlers pay the money for the tax, it's likely they will not contribute to the foundation or other programs that directly benefit the people of western Alaska.

The Bering Sea Commercial Fisheries Development Foundation does not believe in "trickle down" assistance. We are a grass-roots organization, providing a unique, direct link between the industry and the people who specifically ask for and need help. We believe the legislature could use the technical expertise of the foundation to put a cooperative plan together to benefit the maximum number of people.

The foundation's work has just begun. This bill means we will have to work that much harder to usher in what we see as a new era of cooperation. The foundation has a deep commitment to regional

self-determination, and that won't change. We have an excellent working relationship with western Alaska communities who have provided their support by matching our contributions for cooperative projects.

Our goal is to continue to support projects by rural western Alaskans and to maintain a cooperative working relationship with the industry. We'll devote all our energy to making sure this new era of cooperation becomes a reality.

□ Dewey Schwalenberg is executive director of the Bering Sea Commercial Fisheries Development Foundation.

By LAINE WELCH

FOR THE JUNEAU EMPIRE

Officials are pondering the possibility of bringing foreign buyers into state waters to buy Western Alaska herring.

With record catches of over 75,000 tons in the statewide forecast and a glut of herring already on the market, some processors have said they are not interested in buying fish from Togiak to Norton Sound. That news is devastating for westward fishermen who count on herring as one of their few sources of cash income.

Last week Ocean Trawl, on behalf of the Bristol Bay Economic Development Corp., requested a permit from the state to buy 10,000 tons of herring from Western Alaska. Ocean Trawl orchestrated a similar arrangement last summer by forming a joint venture with the Russians to buy pink salmon in Prince William Sound.

Before issuing the permit, state officials must determine that a surplus of herring exists and that domestic processors are not interested in the fish. Commerce Commissioner Paul Fuhs said the state is also concerned about the massive waste if the herring catch finds no buyers.

A decision on the permit request must be made quickly in order to have foreign buyers on the grounds when the herring arrive, usually in early May. "We're very aware of the time frame for the fishing season. If there is insufficient capacity from the domestic processors, we feel we can get the permit in time to provide a market," Fuhs said.

Sitka herring fishery ends: Sitka's sac roe fishery ended April 3 after a leisurely seven-day season. Processors set the pace of the fishery depending on plant capacity in handling the 9,700-ton quota, double that of last year.

The Sitka herring were bigger than they've been for about five years, with roe counts between 10 and 11 percent. Last year, Sitka fishermen were paid a statewide low of \$279 a ton.

Ketchikan fishermen at Kah Shakes were on two-hour notice at week's end as high winds continued to ground aerial surveys. The robust Kah Shakes herring, with its high 14 percent roe counts, last year brought nearly \$1,400 a ton.

Prince William Sound was also poised to take off. Seinners and gillnetters will share a 16,500-ton

quota, which last year averaged \$400 a ton. Prince William Sound spawn-on-kelp pounders got over \$18,000 a ton for their pricey product. In 1992, the sound's herring fisheries were worth nearly \$10 million.

Cook Inlet's Kamishak Bay has a somewhat reduced 2,200-ton quota. Fishermen last year took slightly less in a single half-hour opener and received \$570 a ton.

Kodiak's islandwide herring fishery, which runs from April 15 through June 30, has a quota this year of 3,500 tons. Kodiak fishermen were paid \$500 a ton last year, of which \$200 came from delivering to the docks.

Togiak herring averaged \$366 a ton last season, with fishermen from the Kuskokwim Delta getting in the \$300 range. Norton Sound lost out on its 1992 herring season when late pack ice kept buyers out of the area.

All of Alaska's herring goes to Japan, which sets strict import limits. To make market matters worse, a holdover of 20,000 tons of last year's product remains in inventory, which counts against this year's import quota.

Trawlers deny tax opposition: Factory trawler companies say they are not trying to derail a bill that would require them to pay a 3.3 percent landing tax on fish they catch in state waters.

Three percent is the raw fish tax shore-based operations now pay to the state, with 0.3 percent going to the Alaska Seafood Marketing Institute for generic promotions.

The bill, which would add an estimated \$10 million to state and local coffers, was introduced to the legislature March 30 by Rep. Carl Moses of Unalaska.

"We have not at this time taken a position either for or against the bill," said Joe Blum, executive director of the American Factory Trawler Association, which represents 20 companies that own and operate 46 trawler processors.

Blum said last week the association has hired a lobbyist to watch out for the group's interests. "That only makes sense when you're dealing in a sophisticated arena like the Alaska Legislature. It would be foolish to not have someone advising you on how the process works."

"I would hope the people of Alaska would not see anything sinister in that," he said.

Blum said that as the Legislature scrutinizes the tax proposal, members should consider the financial contribution catcher processors already make to the state. For example, Blum cited the Bering Sea Commercial Fisheries Development Foundation, formed by AFTA in 1991 to provide jobs and training for people in Western Alaska coastal communities.

Funding, which as of last December totaled \$683,000, comes from an assessment on each ton of fish caught by member vessels in Alaska waters.

And in 1990 alone, Blum said, the offshore fleet spent nearly \$120 million for goods and services in Alaska ports. "Let's give credit where credit is due," he said.

A statewide teleconference on the landing tax bill (House Bill 264) is scheduled for 5 p.m. Monday at legislative information offices.

Cook Inlet crab fishery: A decision on limiting entry to Cook Inlet's dungeness crab fishery was delayed last week to May 20. Public comment period has also been extended until May 17. Widely diverse comments are coming in at a rapid rate, according to state Commercial Fisheries Entry Commission Chairman Bruce Twomley.

Twomley said the commission wants to take more time to carefully consider all input and to "give Fish and Game time to get its thought on the record."

The commission held a public hearing on the issue last month in Homer, where supporters of limiting entry to the dungeness fishery slightly outnumbered those in opposition.

Under state statute, Twomley said, the commission is required to follow specific guidelines when making its decision. "Would it promote conservation of the fishery as well as the health and economic well-being of the fishery? If the answer to both questions is yes, then we have a legal duty to limit the fishery."

Cook Inlet's dungeness fishery has been closed since 1990.

Laine Welch produces Alaska Public Radio's "Alaska Fisheries Report" at KMXT in Kodiak. It can be heard on KTOO-FM in Juneau at 6:30 p.m. Fridays and 7:45 a.m. Saturdays. Bob King in Dillingham and Joe Gallagher in Homer contributed this week.

FISCAL NOTE

STATE OF ALASKA
1993 LEGISLATIVE SESSION

BILL NO. HB 264

Revision Date:

Title: Fishery Resource Landing Tax

Dept. Affected: Revenue

BRU: Revenue Operations

Component: Income and Excise Audit

Sponsor: House Rules

Requestor: House Rules

COMPONENT SERIAL NO. 113

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY94	FY95	FY96	FY97	FY98	FY99
PERSONAL SERVICES	58.0	58.0	58.0	58.0	58.0	58.0
TRAVEL	20.0	20.0	20.0	20.0	20.0	20.0
CONTRACTUAL	5.0	5.0	5.0	5.0	5.0	5.0
SUPPLIES	1.0	1.0	1.0	1.0	1.0	1.0
EQUIPMENT	10.0	0	0	0	0	0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	94.0	84.0	84.0	84.0	84.0	84.0

CAPITAL

REVENUE FUND SOURCE: General Fund	4,300.0	4,300.0	4,300.0	4,300.0	4,300.0	4,300.0
	860.0	860.0	860.0	860.0	860.0	860.0

FUNDING:

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	94.0	84.0	84.0	84.0	84.0	84.0
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	94.0	84.0	84.0	84.0	84.0	84.0

POSITIONS:

FULL-TIME	1	1	1	1	1	1
PART-TIME						
TEMPORARY						

Estimate of current year (FY93) impact: \$ 0

ANALYSIS: (Attach a separate page if necessary)

Prepared by:

Larry E. Meyers, Director

Phone: 465-2320

Division:

Income and Excise Audit Division

Date: April 1, 1993

Approved by Commissioner:

Darrel J. Rexwinkel

Date: April 1, 1993

Agency:

Department of Revenue

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Analysis

This bill amends AS Title 43 by adding a chapter to provide for a fishery resource landing tax. The landing tax would be imposed on fisheries resources brought into or landed in the state. The tax would be calculated by multiplying the value of the fishery resource by 3.3%.

Persons subject to the landing tax would be required to file a return with the department on a calendar year basis. The return and tax payment would be due April 1 after the close of the calendar year. Taxes collected on .3% of the value of the fishery resource will be paid into a separate account, the balance of which may be appropriated by the legislature to the Alaska Seafood Marketing Institute (ASMI).

All remaining taxes collected will be paid into a separate account in the general fund. Of that amount, fifty percent will be shared to cities and boroughs in the same manner as fisheries business taxes under AS 75, subject to appropriation by the legislature.

Based on the Department of Revenue's 1991 Fish Tax Study, landing tax revenues are estimated as follows:

	<u>Value</u>	<u>3% Portion</u>	<u>.3% Portion</u>
Landing Tax	\$285,700.0	\$8,600.0	\$860.0
Less Amount Shared (50%)		<u>(4,300.0)</u>	<u>N/A</u>
Net Landing Tax		<u>\$4,300.0</u>	<u>\$860.0</u>

Operating Costs

Personal Services	
Revenue Auditor III - Anchorage (Range 18A)	58.0
Travel	
Compliance and Review	10.0
Audits	10.0
Contractual	5.0
Supplies	1.0
Equipment	
Computer and Modular Furniture (FY 94)	10.0

A M E N D M E N T

OFFERED IN THE HOUSE

TO: HB 264

Page 2, following line 11:

Insert a new section to read:

"Sec. 43.77.035. CREDIT FOR APPROVED CONTRIBUTIONS. (a) A taxpayer who harvests a fishery resource under the provisions of a community development quota may claim as a credit against not more than 50 percent of the tax due under this chapter the taxpayer's contributions made during the tax year to a nonprofit corporation incorporated under the laws of the state that are used by the recipient for one or more of the following purposes:

(1) scholarships for study in the disciplines of fisheries management, fisheries business administration, or another related course or discipline;

(2) training for employment in the seafood industry;

(3) making contributions of capital, in the form of loans or grants, to construct or improve

(A) transportation facilities such as airports and docks that are used for the unloading, transferring, or shipment of fisheries products; or

(B) facilities at which fisheries products are canned, frozen, or otherwise processed for inventory, including floating facilities that are documented under the laws of the United States as defined in 46 U.S.C. App. 801;

(4) awarding grants for research projects relating to fisheries.

(b) A taxpayer who makes a contribution that qualifies for the credit authorized by (a) of this section and who claims a credit for the contribution must apply to obtain the credit. The taxpayer shall apply in the manner provided by the department by regulation, and shall provide to the commissioner all information relating to the contribution that may be required by the department. Upon receipt of

a complete application, the department shall approve or disapprove the application for the credit within 60 days.

(c) The department may not approve a tax credit under this section if (1) the department determines that the contribution does not qualify under (a) of this section; or (2) the taxpayer claiming the credit is in arrears in the payment of the tax levied by this chapter. For purposes of this subsection, a taxpayer is not in arrears if the payment is under administrative or judicial appeal.

(d) A contribution allowed as a credit under this section may not be claimed as a credit under another provision of this title."

Page 4, following line 9:

Insert a new subsection to read:

"(e) In this section, "tax revenue collected" does not include ^{twice the} amounts credited against taxes under AS 43.77.035."

Page 4, line 13, after "(1)":

Insert ""community development quota" has the meaning given that term in a regulation adopted by the Office of the Governor, under authority granted by art. III, secs. 1 and 24, Constitution of the State of Alaska, to implement a program of the North Pacific Fishery Management Council to set aside fisheries resources for community development purposes in western Alaska;

(2)"

Renumber the following paragraphs accordingly.



Coastal Villages Fishing Cooperative

204 N. Franklin, Suite 1 • Juneau, AK 99801 • Phone 907-586-2360 • Fax 907-586-2331

April 9, 1993

Representative Carl Moses
Alaska State Legislature
State Capitol
Juneau, AK 99801

Dear Representative Moses:

On behalf of the Coastal Villages Fishing Cooperative (CVFC), the Norton Sound Economic Development Corporation (NSEDC), and the Yukon Delta Fisheries Development Association (YDFDA), I would like to provide these comments to the House Special Committee on Fisheries concerning HB 264 "An Act Providing for a Fishery Resource Landing Tax; and Providing for an Effective Date." These two corporations represent over 30 villages participating in the Community Development Quota (CDQ) pollock fishery of the Bering Sea. Unfortunately, I will not be able to attend Monday's hearing and would appreciate the committee's consideration of these comments and the enclosed amendment. Karl Ohls will be available on teleconference to answer any questions.

CVFC, NSEDC, and YDFDA agree with the need for the State of Alaska to obtain revenues from fishing activities which occur in the EEZ off Alaska. We agree that the State puts a significant effort into managing these resources and that the State is an important staging area for offshore activities.

We would be able to strongly support this legislation with the adoption of one amendment, which is enclosed with this letter. This amendment would allow companies participating in CDQ fisheries to deposit 50% of their tax liability into a non-profit corporation or foundation to serve four specific "governmental" purposes, similar to the uses landing ports make of their share of the tax revenues. These purposes are (1) training residents to work in the seafood industry, (2) obtaining education in the various aspects of fisheries and fisheries business, (3) building the infrastructure for the communities to become active members of the fishing industry, and (4) conducting basic research into fisheries.

CVFC, NSEDC, and YDFDA understand the justification for providing revenue sharing to communities with ports where landings actually occur. However, we also believe that there is significant justification for allocating a small portion of the revenue to communities without ports, as would be allowed by the adoption of the proposed amendment.

- * There is precedent for the Legislature to provide tax credits for purposes similar to those covered by this amendment. In current law there are two tax credits to the fisheries business tax: the Fisheries Business Education tax credit found at AS 43.75.018 and the "Win Brindle" Memorial Scholarship tax credit found at AS 43.75.032.
- * The purpose of the CDQ program is to establish fishing economies in economically-depressed Bering Sea coastal communities. By providing a source of funding for what are in essence "governmental" functions [education, training, infrastructure, and research], the State will help ensure that successful fishing economies are created.
- * Allowing fishing companies which participate in the CDQ fisheries access to this tax credit does not impose any unfair burdens on other offshore fishing companies as all of the companies will pay the same amount of tax; the only difference is the end use of the funds made available.
- * Fisheries infrastructure development in more coastal communities will result in more fishery resources landed in Alaska and more revenue to the State.
- * With declining State revenues, funds for scholarships, training, and infrastructure development will be less available in the future to coastal communities which do not receive revenue sharing from the landing tax. Providing this source of funding will in small measure compensate for the upcoming budget reductions.
- * The CDQ fisheries will be providing revenues to the general fund equal to the amount provided by any other offshore fishing activity.
- * In addition to providing a much needed source of employment and investment dollars, several CDQ fishing enterprises are now contributing revenues directly to the State through the fisheries business tax, the State Corporate Income Tax, and through self-assessment of the fisheries business tax. Paying our fair share to the State through the landing tax is appropriate. However, this tax credit amendment will provide an added benefit to the State and the CDQ communities as a source of funding for governmental-type services that are essential for the success of the CDQ business ventures.

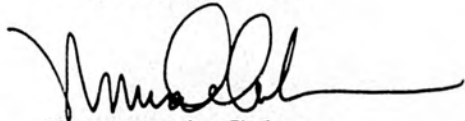
For each of these reasons, the Coastal Villages Fishing Cooperative, the Norton Sound Economic Development Corporation, and the Yukon Delta Fisheries

Representative Moses
Page 3

Development Foundation request that HB 264 be amended and the bill be passed out of committee to its next committee of referral.

Thank you for your consideration of our views.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Norman A. Cohen', with a long horizontal flourish extending to the right.

Norman A. Cohen
Executive Director

cc: Commissioner Fuhs
Commissioner Rosier
Commissioner Rexwinkel
Clem Tillion
CDQ groups
Rep. MacLean
Rep. Hoffman
Rep. Foster

Bristol Bay Economic Development Corporation

P. O. Box 1464
Dillingham AK 99576
Phone (907) 842-4370
Fax (907) 842-4336

P. O. Box 22871
Juneau AK 99802
Phone (907) 586-6070
Fax (907) 586-6071

TESTIMONY ON HB 264

Landing Tax for Offshore Processed Seafood Resources

by H. Robin Samuelsen, Jr.

Chairman, Bristol Bay Economic Development Corporation

Good afternoon, Mr. Chairman and Members of the Committee. Thank you for the opportunity to speak on this legislation. For the record my name is Robin Samuelsen, and I'm speaking on behalf of the Bristol Bay Economic Development Corporation, or BBEDC.

BBEDC represents the 14 villages in the Bristol Bay region eligible under the Community Development Quota (CDQ) Program. We were successful in acquiring 20% of the CDQ quota for 1992 and 1993, 20,289 metric tons of pollock per year. With our partner Oceantrawl Inc., we are participants in the Bering Sea pollock fishery, and will be directly impacted by this legislation. As our partnership is based on profit sharing, any additional costs to the operation come mostly out of our pockets.

While 20,000 tons is a lot of fish, it is a very small fraction of the total resource, about 1.7%. Assuming that the 3.3% tax rate is applied to the average ex-vessel value for pollock, the tax bill for our fish will be \$118,000/yr (at 8¢/lb). For nine vessel offloads by Oceantrawl in Dutch Harbor, that averages \$13,000 per offload.

In Bristol Bay we understand the impacts of a non resident fleet on the services of small rural communities, and the difficulty in

collecting revenues sufficient to offset them. Most Bristol Bay communities receive some fish tax shared back from the state, and some have local fish taxes as well. Overall, our fishermen contribute a very large percentage of the fisheries business tax collected by the state now.

We also recognize the state's considerable investment in the fisheries outside three miles, and the need to cover those costs. This legislation obviously affects other trawl and longline fisheries and crab too.

This is however a very tough time in the groundfish industry. There is very little profit left, whether you are a fisherman, a processor, or a factory trawler. Our concern is that the additional burden of taxes is being added at the worst possible time. The CDQ communities of western Alaska now have a major financial stake in how these issues are resolved, and our interests must also be taken into account.

With that in mind, we strongly support an amendment that would recognize the work that the offshore fleet is doing in western Alaska, particularly the CDQ projects. A tax exemption for donations to foundations or other non-profit entities doing quasi-governmental activities such as training and infrastructure development would help to ensure that added revenues to the state and landing ports are not at the expense of existing activities in western Alaska.

We support the Coastal Villages Fishing Cooperative's proposed amendment, and attach their April 9th letter to Chairman Moses to our testimony.

That is all I have, Mr. Chairman. Thank you.

WALTER J. HICKEL
GOVERNOR



P. O. Box 110001
Juneau, Alaska 99811-0001
(907) 465-3500

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

June 24, 1993

*The Honorable Carl Moses
Alaska State Representative
Chair, House Rules Committee
716 West Fourth Street, Suite 630
Anchorage, AK 99501-2133*

Dear Carl,

I am pleased to inform you that the legislation sponsored by the House Rules Committee, House Bill 264, relating to the levying and providing for the collection of and disposition of the proceeds of a fishery resource landing tax, was signed into law on June 24, 1993. The chapter reference is Chapter 67, SLA 1993, and the effective date is January 1, 1994.

With best regards.

Sincerely,

A handwritten signature in cursive script that reads "Wally".

Walter J. Hickel
Governor

HB 264.

TO ~~CARL~~ ^{WALTER HICKEL}

FYI

From Molly

NEWS RELEASE

STATE OF ALASKA

OFFICE OF THE GOVERNOR
Post Office Box 110001
Juneau, Alaska 99811-0001

WALTER J. HICKEL
Governor

JOSEF P. HOLBERT
Director of Communications



JOHN MANLY
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JOHN HENDRICKSON
Deputy Press Secretary
Anchorage Office: 561-4228

BRIAN HART
Assistant Press Secretary

907-465-3500
FAX: 907-586-8369

FOR RELEASE: June 24, 1993
No. 93-139

GOVERNOR SIGNS FISHERIES LANDING TAX; THREE OTHER BUSINESS AND ECONOMIC BILLS

JUNEAU--Governor Walter J. Hickel today signed into law four bills intended to help Alaska business. These will impose a landing tax on fish caught and processed offshore; establish a prevailing wage rate for public construction contracts; exempt export inventories from property taxes; and liberalizes the state's regional economic assistance program.

HB 264 enacts a 3.3 percent landing tax on all fisheries resources first landed in the state, but exempts fish already subject to the state's fishery business tax. This tax is expected to generate about \$8.8 million annually, of which \$800,000 will go to the Alaska Seafood Marketing Institute for marketing. The rest of the revenue will be split evenly between the state treasury and the communities in which the fish are landed.

"The catcher-processors working offshore have a great impact on Alaska, and yet, have not up 'til now contributed to help pay for the state-funded benefits they receive," the Governor said. "This is no more than we ask from the shore-based industry, which has been paying state taxes for many years."

Representative Carl Moses of Unalaska, who sponsored HB 264 at the request of the Hickel administration, said passage of the bill was the highlight of the legislative session for him. "The landing tax is fair compensation to the state and local communities for the services they provide to the offshore fleet."

The landing tax is the result of a 1991 analysis done by the Departments of Revenue and Fish and Game that concluded that a landing tax was one of two inequities the state could correct. The other, to define

- more -

how "value" is determined, was also passed by the Legislature this year. HB 264 goes into effect on January 1, 1994.

HB 126 provides that the prevailing wage rate that is in effect ten days before final submission of bids for public construction projects will remain in effect for either the life of the contract or for 24 months, whichever is shorter. This will help to contain the cost of public works projects by not allowing them to be susceptible to rising prevailing wage rates in the middle of construction. This law becomes effective in 90 days.

Labor Commissioner Charles Mahlen said, "This new law will be good for Alaska workers because it will allow the Department of Labor to update the prevailing wage rate as needed, without disrupting construction projects that are already in progress. And contractors will be assured of a stable wage rate for the life of their contracts."

Mahlen also said bidding would become much more competitive because wage rates would be a known factor for the duration of a contract.

Representative Gail Phillips, prime sponsor of HB 126, said, "Passage of this bill means the state and municipal governments will be better able to know what the labor costs of their projects are when they go to bid, and won't be hit with costly surprises in the middle of the project."

HB 211 gives local governments the option to exempt goods being held for shipment out-of-state from inventory property taxes. This will have the two-fold effect in municipalities with school districts of allowing greater flexibility to generate local revenues and provide for local economic development incentives. HB 211 goes into effect in 90 days.

SB 142 makes changes to the Alaska Regional Economic Assistance Program (ARDORS) in the Department of Commerce and Economic Development in the following ways: It limits civil liability of regional development organization board members and staff; exempts contracts between state agencies and regional development organizations from the state procurement process; and raises the state grant funding cap to regional development organizations from \$50,000 to \$100,000 per year. It also provides flexibility in state grant match requirements based on the ability of each organization to raise matching funds from nonstate resources. The bill goes into effect July 1, 1993.

####

<u>Hypothetical</u>	<u>Ex. One</u>	<u>Ex. Two</u>
Value of fishery resources	\$10,000	\$10,000
Tax Rate	3.3%	3.3%
Tax before credits	\$330	\$330
Credit Claimed (45.45% maximum and 10%)	\$150	\$ 30
Tax due shown on return and paid by taxpayer	\$180	\$300
Amount to ASMI under AS 43.77.040(a)	\$ 30	\$ 30
Amount remaining in general fund	\$150	\$270
Reduction for tax credits per AS 43.77.040(b)	\$150	\$ 30
Amount available for revenue sharing	\$ 0	\$240
50% to municipalities under AS 43.77.040	\$ 0	\$120
Amount retained by General Fund	\$150	\$150

Note: If a taxpayer pays only a part of the tax, ASMI always gets all of its share before the state general fund and the municipalities.

HB 264

Representative Phillips moved and asked unanimous consent that CSHB 264(FIN) be considered engrossed, advanced to third reading and placed on final passage. There being no objection, it was so ordered.

CSHB 264(FIN) was read the third time.

The question being: "Shall CSHB 264(FIN) pass the House?" The roll was taken with the following result:

CSHB 264(FIN)

Third Reading

Final Passage

YEAS: 32 NAYS: 5 EXCUSED: 0 ABSENT: 3

Yeas: Barnes, Brice, Brown, Bunde, Carney, Davies, B.Davis, G.Davis, Foster, Green, Grussendorf, Hanley, Hudson, James, Larson, Mackie, MacLean, Menard, Moses, Mulder, Navarre, Nicholia, Olberg, Parnell, Phillips, Porter, Sanders, Therriault, Toohey, Ulmer, Vezey, Williams

Nays: Finkelstein, Kott, Martin, Sitton, Willis

Absent: Davidson, Hoffman, Nordlund

And so, CSHB 264(FIN) passed the House.

Representative Phillips moved and asked unanimous consent that the roll call on the passage of the bill be considered the roll call on the effective date clause. There being no objection, it was so ordered.

CSHB 264(FIN) was referred to the Chief Clerk for engrossment.

UNFINISHED BUSINESS**HB 124**

Representative Mackie moved and asked unanimous consent to withdraw his reconsideration (page 1623) of the following:

4/13

Finance

HB 264

FISHERY RESOURCE LANDING TAX

[] **zero** fiscal note(s) _____

Carl E. Moore MOES
CHAIRMAN'S SIGNATURE

HB 264
FISHERY RESOURCE LANDING TAX

Administration contacts:

Department of Revenue:	Carl Meyer and Larry Meyers Income & Excise Audit Division 465-2320
Department of Commerce:	Paul Fuhs, Commissioner 465-2500
ASMI:	Kim Elton, Executive Director 465-5560
Department of Fish & Game:	Carl Rosier, Commissioner 465-4100
Department of Law:	Vince Usera Assistant Attorney General 465-2398

Alaska State Senate
Eighteenth Legislature
First Session

RCS# 993
Item 37

05-11-93
19:09:10

CSHB 264 (FIN)

Third Reading - On Reconsideration
Effective Date

Yeas:	11	Frank, Halford, Jacko, Kelly, Leman, Miller, Pearce, Phillips, Rieger, Sharp, Taylor
Nays:	9	Adams, Donley, Duncan, Ellis, Kerttula, Lincoln, Little, Salo, Zharoff
Excused:	0	
Absent:	0	

Alaska State Senate
Eighteenth Legislature
First Session

RCS# 994
Item 38

05-11-93
19:10:22

CSHB 264(FIN)

Effective Date

Yeas: 18 Donley, Duncan, Frank, Halford, Jacko,
Kelly, Kerttula, Leman, Lincoln, Little,
Miller, Pearce, Phillips, Rieger, Salo,
Sharp, Taylor, Zharoff

Nays: 2 Adams, Ellis

Excused: 0

Absent: 0

Duncan changed from "Nay" to "Yea".
Little changed from "Nay" to "Yea".
Kerttula changed from "Nay" to "Yea".
Lincoln changed from "Nay" to "Yea".

<u>Hypothetical</u>	<u>Ex. One</u>	<u>Ex. Two</u>
Value of fishery resources	\$10,000	\$10,000
Tax Rate	3.3%	3.3%
Tax before credits	\$330	\$330
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Amount available for revenue sharing	\$ 0	\$240
50% to municipalities under AS 43.77.040	\$ 0	\$120
Amount retained by General Fund	\$150	\$150

Note: If a taxpayer pays only a part of the tax, ASMI always gets all of its share before the state general fund and the municipalities.

New Western Alaskan Fishing Foundation formed

by Harold Sparck

Local fishing leaders and a group of Seattle-based trawlers have formed a non-profit foundation which will share in the booming \$1 billion a year Bering Sea groundfishery.

Last week the American Factory Trawl Association (AFTA) along with former state senator John Binkley and Bristol Bay fishing leader Harvey Samuelson announced the incorporation of the Western Alaskan Commercial Fisheries Development Foundation. The nine-member board dominated by western Alaskans, is slated to receive up to \$1 million annually from the trawlers.

The plan calls for AFTA's 42 member companies to tax each ton of groundfish harvested within the U.S. 200 mile zone off Alaska and funnel those monies back to the foundation.

Proponents believe that the new group will increase cooperation between the former adversaries over ocean bycatch, increasing local offshore fishing opportunities, and additional markets for inshore harvest of salmon and herring.

According to Samuelson, "the Pacific canners have been out here for over 100 years, and they have never

done anything like this. All these people want to do is exploit, take away, and not give anything back to the people who stay here. Well, in this foundation, somebody is giving something back for the first time."

"This foundation is our way of giving something more to the area that has been good to us," says AFTA's Morgan. "We're excited about working with John, Harvey, and other Alaskans and putting together some innovative Bering Sea fishery development projects."

Binkley, now resident of Fairbanks, and Samuelson had teamed up in mid-80's to put cash-poor Western Alaskan villages into the ocean fisheries. In 1983, then District 25 Representative Binkley, pioneered "community development" quotas (CDQ's) that would allocate an annual portion of the Bering Sea harvest within the 200 Mile Zone to disadvantaged Bering Sea Rim Villages. Binkley responded to his constituents who were frustrated at having their herring and salmon fisheries interrupted by trawlers offshore, and prohibited by a lack of capital and experience from joining in the \$1 billion a year ocean fishery by the same American fleet.

Binkley's efforts to expand Western Alaskan fishing opportunities won strong backing from Samuelson, the perpetual president of Bristol Bay's Western Alaska Cooperative Marketing Association (WACMA). Samuelson said that he had

"been trying to get more funding for Western Alaskan commercial fisheries development for years. During the 80s we tried with the Japanese, but I think that they were afraid of the salmon industry. I think this foundation is an important step in the right direction." Binkley agreed. "I tried along with

my Western Alaskan supporters to get CDQ's through the political angle in Congress, and we haven't been successful so far, but I can see with this new foundation a start in that practice."

Although their repeated efforts "did not put fish in Western Alaskan pockets,"

said David Bill, Chairman of the Qaluyasat Fisherman's Association, and a CDQ advocate, "it did help make a deal like this possible. No one would listen to us for so long, our poor villages, but Binkley and Harvey believed in it, and now it is started." Bill also credits Lyman Hoffman, who took over

Binkley's Senate seat, and continued the effort to achieve CDQ's "as being important in helping us start this new foundation."

"I'm excited about it three ways," said Binkley. "First the money from the founda-

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tion will get out to Western Alaska to help develop fisheries. Next is the opportunity for people in Western Alaska to participate with individual members of the factory trawlers associations in joint ventures...working together will enhance the economic opportunities. I can picture locals fishing for them, establishing long term relationships with factory trawlers. Last, this will foster a better understanding of each others concerns, like bycatch, and lead to a working relationship between Western Alaskans and factory trawlers, and ultimately a solution," Binkley stated.

Binkley sharply differed with some skeptics who have called the agreement a "political pay-off," exchanging surplus Seattle cash for vocal Alaskan political support of AFTA allocation and bycatch issues now confronting Federal fish managers. "We are prohibited from participating politically in anyway by the Foundation's articles of incorporation," Binkley added. "There is no way that this agreement is going to change what this old man has been saying about bycatch and local development," said Samuelson.

Area fishing leaders agree that their bycatch concerns will not be quieted by the establishment of the founda-

tion. "Herring and salmon are our food and our money, and sitting in the same room for the first time will help us solve that issue with them," said Bill. "I'm not going to keep quiet about our fish being caught out there because of this agreement," added Joe Paniyak, of Chevak's Kokechik Fishermen's Association.

Binkley was encouraged by former constituents to form the new corporation. According to Bill, many Y-K coastal fishing groups had

recently written to Alaskan Senator Ted Stevens and Rick Lauber, Chairman of the North Pacific Fisheries Management Council to substitute CDQ's for current allocation schemes like inshore/offshore, and individual fishing quotas that divide the annual tonnage between well financed fisheries. The letters cited Binkley's leadership in bringing CDQ's to public attention, and asked for CDQ's to be inserted as the highest priority in any Council allocation formula.

When asked to set a Foundation timetable, Binkley thought that "the Board will come together fairly quick, within the next two weeks, then start requesting proposals by late July or August, when we will have all the Board members, and an executive director." Joe Sullivan, former Mayor of Bethel, and now a Seattle fisheries attorney will serve as interim director until the Board selects its own director.

Binkley believes the AFTA tax will generate "about \$1 million this year, and we expect that to be an annual allocation." Paniyak said that foundation will allow the villages to be more aggressive in seeking government and private grants that require a local contribution. According to Binkley, "that money can be used as match to expand the development pool."

Earlier this year, several

AFTA boats bought herring in Togiak at \$100-\$125 a ton more than American processors offered, a pricing practice that Western Alaskan fishing groups welcome in their small volume fisheries that have not benefited from price competition. Samuelson's WACMA group "is planning for a factory trawler to buy reds from our members this summer," at a

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price above that being proposed by local processors.

Charlie Sped Sr. of Motoryuk, who fishes and tenders, believes that the chance of dealing with other buyers will break up the stagnant pricing situation above Cape Newenham that has embittered local fishermen. Bill too hopes that the new

agreement will lead to trawlers buying "from us inshore when they are not fishing. I know that they have nothing to do a lot of time during the year because there are so many boats fishing offshore."

"If this works, maybe many buyers and better money will be in the future," said Paul Kluysa Sr. of Kiguk.

Communities Eager for AFTA Support

"There's been too many people taking resources out of Alaska and they don't put nothin' back. It's just exploit, exploit, exploit."

Harvey Samuelsen's complaint is typical of many Alaskans who have felt used and abused throughout the years by a mostly non-resident fishing industry. But now a foundation sponsored by the American Factory Trawler's Association (AFTA) is looking to give something back to an area that has admittedly been good to them.

The Bering Sea Commercial Fisheries Development Foundation will fund projects to boost nearshore fisheries throughout western Alaska. AFTA's 42-member trawlers will pay for the foundation through an assessment on each ton of groundfish they take. Based on last year's catches, the foundation will receive a million dollars a year.

Samuelsen, a Dillingham gillnetter and president of the Western Alaska Cooperative Marketing Association, said the money was needed in western Alaska. "Especially these villages along the Bering Sea rim, like the Pribilof Islands, Nelson Island, Nunivak Island and Togiak," he said. "They're being left out and I think this foundation would go a long ways in helping these communities."

And if the funds are used as seed money to get development grants, the million-dollar foundation could stretch even farther.

Possible projects could range from value-added processing to new product development and training young fishermen. The actual projects to be funded would be chosen by a nine-member board including Samuelsen, former Bethel Senator John Binkley and four other residents of western Alaska. AFTA president Bob Morgan and two other members of the factory trawler's association will also sit on the board.

While the foundation is aimed at helping western Alaskan fishermen, Binkley says the association with factory trawlers could also lead to more joint ventures like the agreement between Bristol Bay fishermen and Golden Age Fisheries to buy herring and salmon this year.

And Binkley thinks it could help resolve some of the differences

between the two groups. "This will foster a better understanding of each other's concerns, like bycatch, and lead to a working relationship between western Alaskans and the factory trawlers, ultimately leading to a solution," Binkley said.

Announcement of the Foundation came just before the North Pacific Fisheries Management Council began consideration of the onshore/offshore allocations for pollock and cod. Council member Henry Mitchell, though, didn't see it as an attempt to influence the Council. He said the factory trawlers were looking out for other economic interests.

"They're going to have a real problem, they already are, in terms of shortened fishing seasons because of the massive effort out there," Mitchell said. "I think they're looking around and saying, hell, we can participate in some of the traditional onshore fisheries in herring and salmon."

"And I welcome, very much so, the increased competition that would take place by some of these new folks, the factory trawlers, getting involved in some of these fisheries that have been the exclusive domain of the old-time Alaska processors."

Senator Binkley hopes the foundation can help western Alaskans realize some longterm economic goals.

"I tried along with my western Alaska supporters to get CDQs [Community Development Quotas] through the political angle through Congress and we haven't been successful. But I can see with this new foundation a start in that practice," he said.

To ensure that the Foundation doesn't turn into a lobbying group, the Foundation's bylaws strictly prohibit it from taking any political stands.

But board members like Harvey Samuelsen were not likely to be bought off anyway.

"As long as I'm on the board, they ain't gonna tell me what to do or use me for a mouthpiece at the North Pacific Council meetings," growled Samuelsen as he sipped coffee aboard his 32-foot Bristol Bay gillnetter, the *Darci Jo*. "They're absolutely not gonna get that satisfaction out of this old man, period."

—Bob King/Harold Sparck

CITY OF UNALASKA

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May 12, 1993

Representative Carl Moses
State Capitol
Room 204
Juneau, Alaska 99801-1182

Dear Representative Moses:

The City of Unalaska greatly appreciates all your work on Fish Landing Tax 264. It was a very important legislation for the State of Alaska and our community.

Thank you for your tireless efforts on this bill.

Sincerely,

A handwritten signature in dark ink, appearing to read "Frank V. Kelty".

Frank V. Kelty
Mayor