

ALASKA LEGISLATURE COMMITTEE FILES 1987-1988 8672
5221 SCRA SB 385 - SB 404

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NOTES TO DECISIONS

State license tax on salmon canneries with its revenue sharing provision is not different in kind from general gross receipts tax of Alaska Business License Act. — See *Liberati v. Bristol Bay Borough*, Sup. Ct. Op. No.

1755 (File No. 3365), 585 P.2d 878 (1978). There is no general prohibition against like municipal and state taxes. *Liberati v. Bristol Bay Borough*, Sup. Ct. Op. No. 1755 (File No. 3365), 585 P.2d 878 (1978).

Collateral references. — 35 Am. Jur. 2d, Fish and Game, § 45. 71 Am. Jur. 2d, State and Local Taxation, §§ 392-401. 36A C.J.S., Fish, § 36.

Constitutional exemption from taxation as subject to legislative regulation respecting conditions of its assertion, 4 ALR2d 744.

Power of legislature to remit, release, or compromise tax claim, 28 ALR2d 1425.

When right to refund of state or local taxes accrues, within statute limiting time for applying for refund, 46 ALR2d 1350.

Legislative power to exempt from taxation property, purposes, or uses additional to those specified in constitution, 61 ALR2d 1031.

Financial hardship or inability to pay taxes as rendering inapplicable statutes denying remedy by injunction against assessment or collection of tax, 65 ALR2d 550.

Payment of taxes to prevent closing of, or interference with, business as involuntary so as to permit recovery, 80 ALR2d 1040.

What constitutes manufacturing and who is a manufacturer under tax laws, 17 ALR3d 7.

Validity and construction of state statute making successor corporation liable for taxes of predecessor, 65 ALR3d 1181.

Sec. 43.75.010. Fisheries business licenses. [Repealed, § 13 ch 79 SLA 1979. For current law, see AS 43.75.011.]

NOTES TO DECISIONS

State license tax on salmon canneries with its revenue sharing provision is not different in kind from general gross receipts tax of Alaska Business License Act. — See *Liberati v. Bristol Bay Borough*, Sup. Ct. Op. No.

1755 (File No. 3365), 585 P.2d 878 (1978). There is no general prohibition against like municipal and state taxes. *Liberati v. Bristol Bay Borough*, Sup. Ct. Op. No. 1755 (File No. 3365), 585 P.2d 878 (1978).

Sec. 43.75.011. Fisheries business license. A person engaging or attempting to engage in a fisheries business shall first apply for and obtain a license as provided in AS 43.75.020. (§ 3 ch 79 SLA 1979)

Cross references. — For legislative findings and purpose relating to AS 43.75, see §§ 1 and 2, ch. 79, SLA 1979 in the Temporary and Special Acts.

Sec. 43.75.015. Fisheries business tax. (a) A person engaged in a fisheries business is liable for and shall pay the tax levied by this

section on the value of each of the following fisheries resources processed during the year at the rate set out after each:

(1) salmon canned at a shore-based cannery — four and one-half per cent;

(2) salmon processed by a shore-based fisheries business, except salmon for which the tax is due under (1) of this subsection, and all other fisheries resources processed by a shore-based fisheries business — three per cent;

(3) fisheries resources processed by a floating fisheries business — five per cent.

(b) Instead of the taxes levied by (a) of this section, a person who processes a developing commercial fish species is liable for and shall pay a tax equal to

(1) one percent of the value of the developing commercial fish species processed by a shore-based fisheries business during the year; and

(2) three percent of the value of the developing commercial fish species processed by a floating fisheries business during the year.

(c) A person engaging or attempting to engage in a fisheries business who first actually and physically processes the fishery resource, or a person who purchases a fishery resource that is frozen from a person excluded by AS 43.75.017 from liability for the tax, is liable for and shall pay to the department the entire tax imposed by this section. In determining this tax liability, the person may deduct from the value of the fishery resources processed the value of fishery resources that are canned or processed for other fisheries businesses. A person taking the deduction authorized by this subsection shall report all information relating to the deduction in accordance with regulations issued by the department. (§ 3 ch 79 SLA 1979; am §§ 5, 6 ch 117 SLA 1981)

Effect of amendments. — The 1981 amendment, substituted "who processes" for "engaged in a fishery business which includes processing" preceding "a developing commercial fish" in the introductory language of subsection (b), and in subsection (c), added "or a person who purchases a fishery resource that is frozen from a person excluded by AS

43.75.017 from liability for the tax" following "processes the fishery resource" in the first sentence, deleted "not" preceding "deduct" in the second sentence and substituted the present third sentence for "but shall include that value as part of the value of the fishery resources processed."

NOTES TO DECISIONS

A tax on the business of catching and canning salmon is not a property tax. *Pacific Am. Fisheries v. Territory of Alaska*, 2 F.2d 9 (9th Cir. 1924), aff'd, 269 U.S. 269, 46 S. Ct. 110, 70 L. Ed. 270 (1925).

"Canning" is activity of salmon cannery which is taxed. — Under former AS 43.75.010, the salmon cannery activity which was taxed is that of "canning,"

whether the raw fish were purchased or otherwise obtained. *Arctic Maid v. Territory of Alaska*, 277 F.2d 120 (9th Cir. 1960), rev'd on other grounds, 366 U.S. 199, 81 S. Ct. 929, 6 L. Ed. 2d 227 (1961).

No discrimination in favor of local canners against freezer ships under prior law. — See *Alaska v. Arctic Maid*, 366 U.S. 199, 81 S. Ct. 929, 6 L. Ed. 2d 227 (1961).

Cold storages and other fish processors. — For cases construing former law requiring licenses for cold storages and other fish processors, see *Territory of Alaska v. Arctic Maid*, 16 Alaska 126, 140 F. Supp. 190 (D. Alaska 1956), aff'd, 366 U.S. 199, 81 S. Ct. 929, 6 L. Ed. 2d 227 (1961); *State v. Wakefield Fisheries, Inc.*, Sup. Ct. Op. No. 779 (File Nos. 1397, 1399), 495 P.2d 166 (1972); *State v. Reefer King Co.*, Sup. Ct. Op. No. 1344 (File Nos. 2605, 2606, 2607), 559 P.2d 56 (1976).

For case discussing priority of claims for license taxes under prior law in a bankruptcy proceeding, see *In re King Salmon Fisheries Co.*, 7 Alaska 97 (1923).

Constitutionality of former provisions taxing salmon canneries on basis of number of cases packed. — See *Territory of Alaska v. Pacific Am. Fisheries*, 7 Alaska 160, aff'd, 2 F.2d 9 (9th Cir. 1924), aff'd, 269 U.S. 269, 46 S. Ct. 119, 70 L. Ed. 270 (1925).

Sec. 43.75.017. Exclusion from fisheries business tax. A person is not liable for the fisheries business tax under AS 43.75.015 when the fishery resource is frozen aboard a fishing vessel if

- (1) the vessel is operated as a commercial fishing vessel under a valid commercial fishing license;
- (2) the fishery resource is not processed beyond heading, gutting or cleaning, freezing and glazing;
- (3) the fishery resource was caught by the vessel; and
- (4) the fishery resource is sold by the person claiming an exclusion from the tax to a fisheries business licensed under this chapter. (§ 7 ch 117 SLA 1981)

Sec. 43.75.020. Application for license. (a) Application for a license shall be filed with the department and accompanied by an initial fee of \$25. A separate initial fee is required for each plant specified in the application covered by the license. The application shall contain the name of the applicant, the line of business to be licensed, place of business, and other facts which the department prescribes. The applicant shall state that the applicant agrees to pay the license tax, and that the applicant will make a return and pay the tax at the time provided by law.

(b) Upon receipt of the application in proper form accompanied by the initial fee the department shall issue the license. (§ 2 ch 82 SLA 1949; am § 93 ch 59 SLA 1982)

Effect of amendments. — The 1982 amendment deleted "as of the date the application is filed or mailed, and the applicant may carry on the business from

the date the application was actually mailed" following "the license" in subsection (b), and, made other, minor changes.

Sec. 43.75.030. Filing return and payment of tax. (a) A person subject to the tax shall file a return stating the value of fisheries resources processed during the license year, computed as required by this chapter, and such other information as the department prescribes by regulation. The return shall show the license number and shall be signed by the taxpayer or an authorized agent, under penalty of perjury. If a receiver, trustee, or assign is operating the property or busi-

ness, that person shall file the return for the person. A tax due on the basis of such a return shall be collected in the same manner as if collected from the person of whose business the receiver, trustee, or assign has custody and control.

(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.

(c) The department may adopt regulations for the granting of a reasonable extension of time for filing and may grant an extension of time for filing.

(d) The tax shall be paid before April 1 after the close of the calendar year.

(e) Every person engaging or attempting to engage in a business for which a license is required under this chapter shall keep records, make statements under oath, file returns, and comply with all regulations which the commissioner of revenue may adopt.

(f) When the department considers it is necessary, it may require a person, by notice served upon the person, to file a return, make such statements under oath, or keep and display to it such records as it considers sufficient to show the tax for which the person is liable. If a person fails to file a return as prescribed by law or by regulation, or makes, wilfully or otherwise, a false or fraudulent return, the department shall make the return from the information which it can obtain. A return made by the department is prima facie good and sufficient for all legal purposes. (§ 2 ch 82 SLA 1949; am §§ 2, 3 ch 146 SLA 1962; am §§ 5, 6 ch 79 SLA 1979)

Effect of amendments. — The 1979 amendment substituted "fisheries resource" for "raw fisheries products" in the first sentence of subsection (a), deleted "AS 43.75.010 — 43.75.050 of" preceding "this chapter" in the first sentence of sub-

section (a) and in subsection (e), deleted "such" preceding "records," preceding "statements," and preceding "returns" in subsection (e), and substituted "all regulations which" for "such regulations as" in subsection (e).

NOTES TO DECISIONS

Applied in *Schlothman v. Territory of Alaska*, 276 F.2d 806 (9th Cir.), cert. denied, 362 U.S. 990, 80 S. Ct. 1079, 4 L. Ed. 2d 1022 (1960).

Sec. 43.75.050. Violations and penalties. [Repealed, § 4 ch 94 SLA 1976; § 3 ch 166 SLA 1976; §§ 45, 46 ch 113 SLA 1980. For current law, see AS 43.05.220 and 43.05.290.]

Sec. 43.75.055. Security for collection of taxes. Each applicant for a license under this chapter shall, in or with the application, state under oath the amount of each of the products which the applicant expects to produce during the license year. The applicant shall further state the extent of lienable real property owned by the applicant in the

state against which the tax may be collected and other information with respect to description, location and value of the property which the department prescribes. If the lienable value of the property is not equal to three times the amount of the tax for which the applicant will probably be liable under this section, the department may not issue the license until the applicant files with the department a surety bond approved by the attorney general in a penal sum equal to twice the probable amount of the tax for which the applicant will be liable, conditioned upon payment of the tax in full when due, with interest if not paid before delinquency. However, if the applicant purchases salmon for export from Alaska in the round, the amount of the bond is \$50,000 unless the applicant is the owner of lienable real property in the state of a value of at least \$50,000, and the bond must be conditioned upon payment to the fisherman of the full purchase price for the salmon and the payment of the tax in full when due. The department may waive the bond requirement if the applicant posts other security in the form of collateral acceptable to the department or prepays the estimated tax. (§ 4 ch 84 SLA 1967; am § 8 ch 79 SLA 1979)

Effect of amendments. — The 1979 amendment added the present fourth sentence and added "or prepays the estimated tax" to the end of the present fifth sentence.

Secs. 43.75.060 — 43.75.095. Cold storage and other fish processors [Repealed, § 13 ch 79 SLA 1979.]

Article 2. Taking of Fisheries Products Which Are Sold Outside Taxing Jurisdiction.

Section 100. Tax imposed on taking of fishery resource	Section 110. Duty of taxpayer and payment of tax
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Collateral references. — 35 Am. Jur. 2d, Fish and Game, § 45; 71 Am. Jur. 2d, State and Local Taxation, §§ 392-401. 36A C.J.S., Fish, § 36. State tax on or in respect of goods shipped in interstate commerce to consignee for sale on consignor's account without previous sale or order for purchase, 4 ALR2d 244.

Loading or unloading interstate freight in performance of obligation resting upon one other than interstate carrier as interstate commerce as regards local taxation, 10 ALR2d 651. Property destined for removal from state as subject to taxation therein, 11 ALR2d 938.

Sec. 43.75.100. Tax imposed on taking of fishery resource. (a) A person taking, purchasing, or otherwise acquiring a fishery resource covered by this chapter which has not been subject to the tax imposed

in AS 43.75.015 is subject to the tax levied in AS 43.75.015 on the value of the fishery resource if the person

(1) transports the fishery resource to a point outside the taxing jurisdiction of the state for subsequent processing or sale outside the taxing jurisdiction of the state;

(2) sells the fishery resource outside the taxing jurisdiction of the state; or

(3) has the fishery resource processed by a fisheries business in the state.

(b) The rate of tax that shall be paid by a person whose liability for the tax is established by this section is the rate of tax that would have been due under AS 43.75.015 if the fisheries business that first actually and physically processed the fish had been liable to pay the tax. (§ 1 ch 190 SLA 1959; am § 4 ch 79 SLA 1979; am §§ 8, 9 ch 117 SLA 1981)

Effect of amendments. — The 1979 amendment rewrote this section. The 1981 amendment deleted "sold" following "fishery resource" in the introductory language of subsection (a), deleted "to a fisheries business" in paragraphs (1) and (2) of subsection (a), deleted "or" at the end of paragraph (1) and added "or" at the end of paragraph (2) of subsection (a) and added paragraph (3) of that subsection. The amendment also rewrote subsection (b).

Sec. 43.75.110. Duty of taxpayer and payment of tax. A person subject to taxes under AS 43.75.100 shall make a return stating the value of fisheries resources taken, purchased, or otherwise acquired during the license year for sale to fisheries businesses outside of the taxing jurisdiction of the state computed as required by AS 43.75.100, and other information to carry out the provisions of AS 43.75.100 as may be prescribed by the department. The return shall contain the license number and shall be signed by the taxpayer or an authorized agent, under penalty of perjury. If a receiver, trustee, or assign is operating the property or business, that person shall make the return for the person. A tax due on the basis of such return shall be collected in the same manner as if collected from the person of whose business the receiver, trustee, or assign has custody and control. The requirements for time and place of payment of tax, and the obligation to keep records and make the records available to the commissioner of revenue are the same as those prescribed in AS 43.75.011 — 43.75.050. (§ 2 ch 190 SLA 1959; am § 9 ch 79 SLA 1979)

Effect of amendments. — The 1979 amendment substituted "fisheries resources taken, purchased, or otherwise acquired" for "raw fisheries products taken" and "fisheries businesses" for "freezer ships, floating cold storages, or floating canneries" in the first sentence and substituted "AS 43.75.011 — 43.75.050" for "the business license tax law for salmon canneries" at the end of the fifth sentence.

Sec. 43.75.120. Violations and penalties. [Repealed, § 46 ch 113 SLA 1980.]

Article 3. General Provisions.

Section

130. Refund to local governments

140. Definitions

Sec. 43.75.130. Refund to local governments. The commissioner of revenue shall pay

(1) to each municipality unified under AS 29.68.240 — 29.68.440, and to each city located in the unorganized borough, 50 percent of the amount of tax revenue collected in the municipality from taxes levied by this chapter;

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

(3) to each borough

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

(B) 25 percent of the amount of tax revenue collected in cities located within the borough from taxes levied by this chapter. (§ 6 ch 155 SLA 1962; am § 75 ch 69 SLA 1970; am § 10 ch 218 SLA 1976; am § 11 ch 79 SLA 1979; am § 10 ch 117 SLA 1981)

Effect of amendments. — The 1979 amendment rewrote this section. The 1981 amendment substituted "50 percent" for "20 percent" in paragraphs (1) and (3)(A) and substituted "25 percent" for "10 percent" in paragraphs (2) and (3)(B).

NOTES TO DECISIONS

State license tax on salmon canneries with its revenue sharing provision is not different in kind from general gross receipts tax of Alaska Business License Act. — See *Liberati v. Bristol Bay Borough*, Sup. Ct. Op. No. 1755 (File No. 3365), 585 P.2d 878 (1978).

Sec. 43.75.135. Additional refund to boroughs and cities. [Repealed, § 13 ch 79 SLA 1979.]

Sec. 43.75.136. Appropriations to Commercial Fishing and Agriculture Bank. [Repealed, § 20 ch 117 SLA 1981.]

Sec. 43.75.140. Definitions. In this chapter

(1) "department" means the Department of Revenue;

(2) "developing commercial fish species" means those species of fish and shellfish annually designated by the commissioner of fish and game under AS 16.05.050(12);

(3) "fisheries business" means a person who engages in processing fisheries resources for sale by freezing, cooking, salting, or other method and includes but is not limited to canneries, cold storages, freezer ships, and processing plants;

(4) "fishery resource" means fin fish, shellfish and fish by-products, including but not limited to salmon, halibut, herring, flounder, crab, clam, cod, shrimp, and pollock;

(5) "floating fisheries business" means a fisheries business which is not a shore-based fisheries business; the term includes, but is not limited to, a shore-based fisheries business as defined in (6)(B) of this section when it is removed from the state;

(6) "shore-based fisheries business" means a fisheries business

(A) operated from a facility which is permanently attached to the land; or

(B) operated from a facility which remains in the same location in the state for the entire tax year;

(7) "taking" means pursuing, fishing, capturing, or harvesting a fisheries resource in any manner;

(8) "value" means the actual price paid for the fisheries resource by the fisheries business, including indirect consideration such as fuel, supplies, or gear, whether paid at the time of purchase of the fisheries resource or tendered as a deferred or delayed payment, except that "value" means the market value of the fishery resource if the taking of the fishery resource is done in company-owned or company-subsidized boats operated by employees of the fisheries business or in boats which are operated under lease or other arrangement. (§ 3 ch 79 SLA 1979; am § 46 ch 94 SLA 1980; am § 46 ch 113 SLA 1980; am §§ 11, 12 ch 117 SLA 1981)

Revisor's notes. — Reorganized in 1983 to alphabetize the defined terms.

Effect of amendments. — The first and second 1980 amendments both repealed the definition of "year".

The 1981 amendment added "the taking of" preceding "the fishery resource" and substituted "done" for "procured" preceding "in company-owned" in the definition of "value". The amendment also added the definition of "taking".

Chapter 76. Salmon Enhancement Tax.

Section

10. Three percent salmon enhancement tax

11. Two percent salmon enhancement tax

15. Election to approve or terminate salmon enhancement tax

20. Termination of salmon enhancement tax

25. Collection of tax and disposition of proceeds

Section

28. Liability for tax on salmon shipped from state

30. Accounting of financing received as a result of the salmon enhancement tax

40. Definition

Editor's notes. — For findings and purpose of enacting legislation, see § 1, ch. 154, SLA 1980, in the Temporary and Special Acts

BY ZHAROFF

1 IN THE SENATE

2 SENATE BILL NO.

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

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

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

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

10 Sec. 43.75.133. PROVISION OF INFORMATION TO MUNICIPALITIES. (a)

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

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

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

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

12 * Sec. 3. This Act takes effect immediately under AS 01.10.070(c).
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SENATOR FRED F. ZHAROFF
ALASKA STATE LEGISLATURE

P.O. BOX 405, KODIAK, ALASKA 99615 (907) 486-5259

DURING SESSION:


P.O. BOX V, JUNEAU, ALASKA 99811 • (907) 465-3473 • 465-3474

DISTRICT N

ALASKA PENINSULA • ALEUTIAN CHAIN • BRISTOL BAY • KODIAK ISLAND • LAKE CLARK/LAKE ILIAMNA • PRIBILOF ISLANDS • SHUMAGIN ISLANDS

MEMORANDUM

TO: Senator Arliss Sturgulewski

FROM: Senator Fred F. Zharoff 

DATE: January 28, 1988

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

OK
ca

Attached is a copy of a bill that will assist local governments in collecting the fish taxes that under the law (both state sharing and local taxes) they are supposed to receive, particularly from floating processors. I plan to introduce the bill on Monday, February 1.

The bill allows the Department of Revenue to provide municipalities with a list of all the fisheries businesses that processed fish within a municipality's boundaries. In particular, this will help local governments collect the fish taxes owed by floating processing vessels, which frequently move in and out of municipal boundaries without notifying the local government of their presence. The bill also allows the Department of Revenue to verify the amount of taxes collected from municipal fish taxes. If a discrepancy exists, the municipality will be allowed to inspect tax records or obtain a copy of the tax return in question, in order to aid the municipality in the collection of the tax.

The above information is now held in complete confidence by the Department of Revenue, and cannot be given to municipalities. Under the terms of this bill, the information would only be released, upon written request, to the mayor, the manager, or the administrator of the municipality. The tax return information would only be released if the department determined that adequate safeguards existed to ensure its confidentiality.

This bill will be useful to the Department of Revenue, in that it encourages the municipalities to help the department enforce the fish tax statutes. In discussions during the drafting stage, the department expressed its support for this legislation.

If you wish to cosponsor, please let me know or call Karl Ohls in my office, 465-4922.



SENATOR FRED F. ZHAROFF
ALASKA STATE LEGISLATURE

P.O. BOX 405, KODIAK, ALASKA 99615 (907) 486-5259

DURING SESSION:

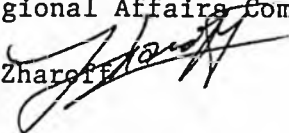
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DISTRICT N

ALASKA PENINSULA • ALEUTIAN CHAIN • BRISTOL BAY • KODIAK ISLAND • LAKE CLARK/LAKE ILIAMNA • PRIBILOF ISLANDS • SHUMAGIN ISLANDS

MEMORANDUM

TO: Senator Arliss Sturgulewski
Chair
Community and Regional Affairs Committee

FROM: Senator Fred F. Zharoff 

DATE: April 21, 1988

RE: House Bill 486 - "An Act relating to fisheries tax returns; and providing for an effective date."

HB 486 was read across the Senate floor on April 20, and referred to the Community and Regional Affairs Committee, the Resources Committee and the Finance Committee. HB 486 is identical to SB 385, which was previously considered and passed out by all the above committees. SB 385 is now in the Senate Rules Committee.

I respectfully request that the referral of HB 486 be waived by your committee so the bill may be calendared and voted on by the full Senate as soon as possible. Because the policy questions in this legislation have already been considered, I feel there is no reason to hold it up for additional committee hearings.

Thank you for your consideration of this request. Copies of the latest (and only) versions of HB 486 and SB 385 are attached.

1 IN THE HOUSE

BY HERRMANN, CATO,
DAVIDSON AND ULMER

2

HOUSE BILL NO. 486

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

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

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

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

10 Sec. 43.75.133. PROVISION OF INFORMATION TO MUNICIPALITIES. (a)

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

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

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

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

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

1 IN THE SENATE

BY ZHAROFF, BINKLEY, FISCHER,
STURGULEWSKI AND ELIASON

2

SENATE BILL NO. 385

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - SECOND SESSION

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A BILL

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23 business to the municipality and the value of the fisheries resources
24 reported by the fisheries business to the department under this chap-
25 ter are substantially the same. If the values are not substantially
26 the same, the department shall permit the mayor, manager, or adminis-
27 trator of the municipality to inspect tax returns filed by the fisher-
28 ies business with the department under this chapter, or shall furnish
29 to the municipal officer a copy of the tax returns, if the department

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

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

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



SENATOR FRED F. ZHAROFF
ALASKA STATE LEGISLATURE

P.O. BOX 405, KODIAK, ALASKA 99815 (907) 486-5259

DURING SESSION:

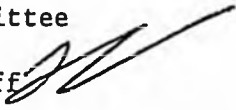
P.O. BOX V, JUNEAU, ALASKA 99811 • (907) 465-3473 • 465-3474

DISTRICT N

ALASKA PENINSULA • ALEUTIAN CHAIN • BRISTOL BAY • KODIAK ISLAND • LAKE CLARK/LAKE ILIAMNA • PRIBILOF ISLANDS • SHUMAGIN ISLANDS

MEMORANDUM

TO: Senator Jack Coghill
Chair
Senate Resources Committee

FROM: Senator Fred F. Zharoff 

DATE: March 15, 1988

RE: Senate Bill 385 - "An Act relating to fisheries tax returns; and providing for an effective date."

For the purpose of ensuring that municipalities receive the fish taxes they are entitled to receive, SB 385 allows local government officials to have access to specific fish tax information now held confidential by the Department of Revenue.

Background information for SB 385 is attached, as follows:

1. Sectional analysis.
2. Department of Revenue fiscal note and position paper.
3. Resolution of support from the Southwest Alaska Municipal Conference, March 1, 1987.
4. Letter and resolution of support from the Alaska Municipal League, Feb. 17, 1988.
5. Letter from the Aleutians East Borough, Feb. 29, 1988.
6. Letter from the City of King Cove, March 10, 1988.
7. Letter from the City of Sand Point, March 2, 1988.
8. Letter from Mr. John Levy, executive director of the Southwest Alaska Municipal Conference, to my staff describing the problem (see page 2), April 13, 1987.
9. Research report about municipalities that have their own fish taxes, written by the Senate Advisory Council.



SENATOR FRED F. ZHAROFF

ALASKA STATE LEGISLATURE

P.O. BOX 405, KODIAK, ALASKA 99815 (907) 488-5259

DURING SESSION:

P.O. BOX V. JUNEAU, ALASKA 99811 • (907) 465-3473 • 465-3474

DISTRICT N

ALASKA PENINSULA • ALEUTIAN CHAIN • BRISTOL BAY • KODIAK ISLAND • LAKE CLARK/LAKE ILIAMNA • PRIBILOF ISLANDS • SHUMAGIN ISLANDS

SECTIONAL ANALYSIS

Senate Bill No. 385 -- "An Act relating to fisheries tax returns; and providing for an effective date."

SECTION 1

43.75 (Fisheries Taxes) is amended to add a new section.

43.75.133: PROVISION OF INFORMATION TO MUNICIPALITIES.

- (a) Allows the Department of Revenue, upon written request, to furnish a mayor, manager, or administrator with a list of all the fisheries businesses that have filed tax returns in which they listed the municipality as a location where they processed fish. This would allow a municipality to check its records against state records to determine if it collected taxes from all the processors that processed fish within its boundaries. This provision would be particularly helpful to municipalities in keeping track of mobile floating processors. In addition, municipalities would be able to inform the department about floating processors they know operated within their boundaries, but for which the department has no record.
- (b) Requires the department -- upon written request by the mayor, manager, or administrator of a municipality -- to verify from its records the amount of fisheries tax levied or collected by the municipality. If the amounts are not substantially the same, the mayor, manager, or administrator can inspect or obtain copies of the tax returns in question in order to use them for the purpose of tax collection only. The department does not need to provide this information unless it is satisfied the municipality provides adequate safeguards to protect the confidentiality of the tax returns. "Substantially the same" is defined as the amounts (values) being "equal or the variance between them does not exceed one percent of the greater value."

SECTION 2

APPLICABILITY.

43.75.133 only applies to fisheries business tax returns filed after December 31, 1986. This saves the Department of Revenue

the time and expense of researching requests for information from its old tax return files.

SECTION 3

Immediate effective date.

STATE OF ALASKA
1988 LEGISLATIVE SESSION

BILL VERSION: SB 385
PUBLISH DATE: 2/2/88

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: "An Act relating to fisheries tax returns; and providing for an effective
Sponsor: Zharoff, Binkley, Fischer, etal
Requestor: C & RA, Resources and Finance

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

EXPENDITURES/REVENUES: (Thousands of Dollars)

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

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

Prepared By: Steven E. Kettel, Director Phone: (907) 465-2320
Division: Income and Excise Audit Division Date: February 3, 1988

Approved by Commissioner: [Signature] Date: 2/5/88
Agency: _____

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

SB 385 Analysis

Prepared By: Steven E. Kettel
Income and Excise Audit
February 3, 1988

Travel

Regulation Hearing Travel to Anchorage \$.5

Contractual

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

ANALYSIS OF SB 385

Prepared By: Steven E. Kettel
Income and Excise Audit Division
February 3, 1988

Present Alaska law prohibits the Department from sharing confidential tax information with the general public, other state or local governmental agencies or the legislature.

Also, the statutes governing the fisheries business (raw fish) tax provides that the State will share up to 50% of that tax with the communities in which the fish are processed. To many communities, this is a significant source of revenues, and with the decline in municipal assistance funding programs, many city and borough managers are becoming increasingly interested in whether they are receiving their fair share of the fish tax.

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

SB 385 provides a mechanism for the Department of Revenue to share sufficient information with municipalities to allow for enhanced compliance with the new fish tax law at both the state and local level. The law applies to two classes of information and two classes of municipalities.

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

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



**SOUTHWEST ALASKA
MUNICIPAL CONFERENCE**
Box 89 • Unalaska • Alaska 99685

RESOLUTION 87-06

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

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

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

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

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

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

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

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

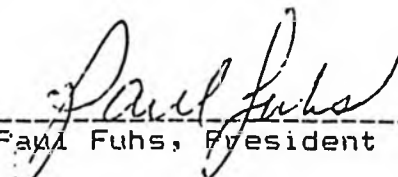
THEREFORE, BE IT RESOLVED by the Southwest Alaska Municipal Conference that Governor Cowper and the Alaska Legislature adopt legislation to:

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

Southwest Alaska Municipal Conference
Resolution 87-06
Page two

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

APPROVED AND ADOPTED this 1st day of March,
1987.



Paul Fuhs, President


Alaska
MUNICIPAL
League

TELEPHONE
(907) 586-1325

105 MUNICIPAL WAY, SUITE 301
JUNEAU, ALASKA 99801

MEMORANDUM

TO: Senator Arliss Sturgulewski, Chair
Members of the Community and Regional Affairs Committee

FROM: Scott A. Burgess, Executive Director 

DATE: February 17, 1988

SUBJECT: SB 385 - Fisheries Tax Returns

The Alaska Municipal League strongly supports SB 385 - relating to fisheries tax returns - Subsection (a) permits municipalities to determine whether fisheries businesses operating within their boundaries are properly reporting the location of their activities. Inaccurate or improper reporting of location adversely affects the entitlement of an affected municipality to its share of the fisheries license tax.

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

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

The AML strongly supports SB 385.

Thank you.

SAB:ph1

Enclosure

RESOLUTION OF THE ALASKA MUNICIPAL LEAGUE

RESOLUTION NO. 88-8

A RESOLUTION CONCERNING RAW FISH TAX COLLECTIONS.

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

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

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

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

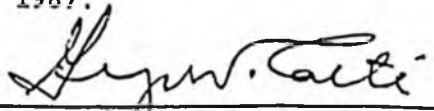
WHEREAS, the municipalities concur with the sensitivity of the processor information and agree to treat the information as confidential information, and

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

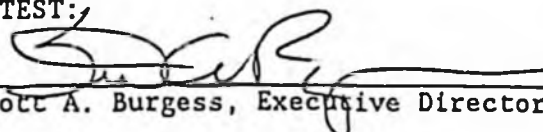
WHEREAS, this information is critical for both management of the fish resource and accurate management of the fish tax collections;

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

Adopted this 13th day of November 1987.


George W. Carte', President

ATTEST:


Scott A. Burgess, Executive Director

ALEUTIANS EAST BOROUGH

SERVING THE COMMUNITIES OF

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

February 29, 1988

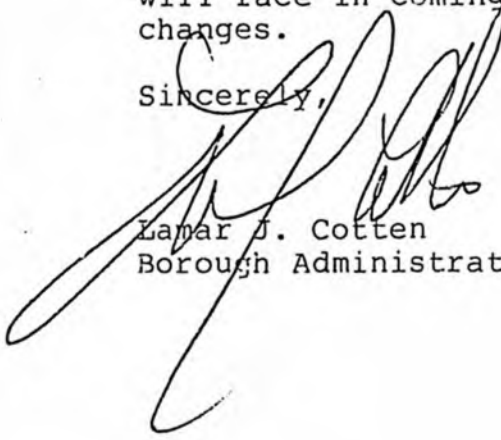
Senator Fred Zharoff
P.O. Box V
Juneau, Alaska 99811

RE: SB-385 - Confidentiality Bill

Dear Senator Zharoff:

Just a short note to say that the Aleutians East Borough supports the Senate Bill 385. It will help close loop-holes in current State law while insuring a taxation policy which treats all entities equally. The bill is well overdue and will help alleviate a number of problems which communities will face in coming years as the fishing industry evolves and changes.

Sincerely,



Lamar J. Cotten
Borough Administrator

CITY OF KING COVE

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

March 10, 1988

The Honorable Fred Zharoff
Alaska State Senate
P.O. Box V
Juneau, Alaska 99811

RE: SB 385

Dear Senator Zharoff:

The City of King Cove strongly supports the adoption of SB 385 an act relating to fisheries tax returns. The City believes this bill will effectively assist in accomplishing the following:

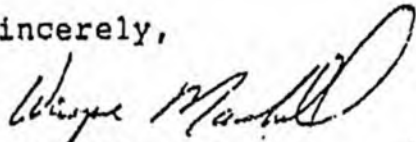
- o Provide municipalities a cost-effective tool in the administration and collection of municipal sales/use taxes, particularly from floating fish processors ; and

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

The main problem confronting coastal municipalities are that they are often unaware of floating fish processing activities that occur in their municipal boundaries and cannot verify the amount of fish product a processor processes. Floating fish processors operating in State waters are required to pay State Fisheries Business Taxes and this information could be an essential tool to help a municipality collect the full amount of local tax assessments it is owed. Quite simply, the large amount of territory in some coastal municipalities, particularly boroughs, and the prohibitive cost of operating onsite monitoring program make it difficult for most municipalities to effectively collect taxes from floating processors. SB 385 is not a cure-all for this problem, but it is a very positive step that will immediately benefit municipalities and the State.

The City of King Cove supports SB 385 and urges its adoption this session.

Sincerely,



Wayne Marshall
City Manager

RECEIVED

City of Sand Point

P.O. Box 249
Sand Point, Alaska 99661

(907) 383-2696

March 2, 1988

Honorable Fred Zharoff
P.O. Box V
Juneau, Alaska 99811

Dear Senator Zharoff:

The City of Sand Point supports your efforts through SB 385 to promote the exchange of the fisheries business tax information between cities and the Department of Revenue. Given the declining nature of revenues, it is mutually advantageous for cities and the Department of Revenue to cross check their sales tax figures against the gross receipts shown on the fisheries business tax form.

Sincerely,



Robert S. Juettner
City Administrator



SOUTHWEST ALASKA MUNICIPAL CONFERENCE

Box 89 • Unalaska • Alaska 99685

APR 13 1987

April 13, 1987

Carl Ohs
c/o Senator Fred Zharoff
Senate District N
Pouch V
Juneau, Ak. 99801

Dear Carl,

Thank you for meeting with Wayne, Lamar and I last week on issues of concern for the Southwest Municipal Conference. You asked that I send you a summary of the main points.

You will recall that our discussion focused on four themes.

1. Fish Tax
2. Confidentiality
3. Monitoring
4. Observer Program

Fish Tax

At the annual spring meeting in Dillingham, the Southwest Municipal Conference delegates resolved to work with legislators to develop a fish tax program that structurally benefits municipally-located processors regardless of fishery. Delegates cited the importance of shore-based and near shore-based plants for local economies. Specifically, delegates proposed the following tiered structure.

Onshore Processors	3%
Floating Processors Within Municipal Boundaries	5%
Processors Outside of Municipal Boundaries	8%

The Conference asks that this tax policy be managed to allow municipalities to retain the same percentage they presently receive in shared taxes for operations within municipal boundaries. The State will receive an increase in revenues from higher tax rates on processors operating outside municipal boundaries.

Our goal is to have legislation introduced this Session that addresses the above-listed structure. ~~House~~ ^{House} Research could analyze the legislation during the interim. Modified to reflect their recommendations, we would work toward passing a bill next Session.

Confidentiality

Many municipal officials complain about the veil of secrecy surrounding fish processing records. Lacking access to these records, municipalities cannot verify processors' production records. It would be in the State's interest to share these records with municipalities so that we can assist the State in its collection of unreported/underreported taxes. Local officials repeatedly testified to the discrepancies in collections within their jurisdictions.

Some argue that if municipalities had access to records it would jeopardize the competitive edge that some processors enjoy. As municipal officials we frequently handle issues sensitive in nature. Our public's trust hinges on ensuring the confidentiality of these issues and records. We do not foresee a danger to any firm's records being made public.

The Southwest Municipal Conference is requesting your assistance to:

1. Authorize the Department of Revenue to share information on fish tax collected per processor with municipalities.
2. Require the Department of Revenue to work cooperatively with municipalities in verification and collection of raw fish tax. The Conference supports giving the Department of Revenue the option to allow the municipality to assume collection duties within municipal boundaries. This option would include provisions for the municipality to retain a reasonable fee to cover costs.
3. Fund adequate Alaska Department of Fish and Game staff positions to analyze fish tickets in a timely manner for all species. This link in the system is essential to ensure accurate accounting of the raw fish tax.

Monitoring

Southwestern communities fear that bottomfish resources could be devastated through lack of proper data analysis, monitoring and observation. Although many of the management aspects of this industry are federal, the State must work with the Federal government so that the future of pollock and cod is not negotiated for concessions in other international trading issues. We understand that millions of dollars may potentially go uncollected. This figure is the difference between what Fish and Game estimates is actually processed and what Revenue reports is collected.

Observer Program

Southwest Conference delegates continue to support a required domestic observer program. Conference recommendations include:

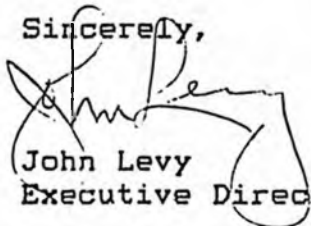
1. The State commit \$1.4 million in FY88 State share of Fish Business Tax receipts to fund the domestic observer program recommended by the Department of Fish and Game.

2. The State approach private and public bodies to assist in funding this program for the future. This includes supporting fishermen's efforts to form a non-profit-organization that can contribute funds for an observer program by using State taxing authority to collect assessments on fishermen.
3. The State contract with private groups, such as the Southwest Municipal Conference, to operate and manage the domestic observer program.
4. The State include The Southwest Municipal Conference on any advisory board that may be established to monitor the observer program.

You indicated that the Attorney General ruled that any observer program must hire state employees under A.P.E.A. We ask that Senator Zharoff work with the Governor and the Department of Law to come up with a legal, affordable program.

If you would like further information on the Southwest Municipal Conference or our position on various issues call President Paul Fuhs at 581-1357, I may be reached at 640 W. 36th Ave., #4, Anchorage 99503 or 562-1400.

Sincerely,



John Levy
Executive Director

cc: Southwest Municipal Conference Executive Officers
Rep. Cliff Davidson
Rep. Adelheid Herrmann

S B

386

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Commerce & Econ. Dev.
 Title: Mergers between municipal public utilities and phone or electric cooperatives BRU: Banking, Securities & Corporations
 Sponsor: Kerttula Components: _____
 Requester: _____

EXPENDITURES / REVENUES : (Thousands of Dollars)

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

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

REVENUE	-0-	-0-	-0-	-0-	-0-	-0-
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FUNDING: (Thousands of dollars)

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

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary.)

Prepared by: Willis F. Kirkpatrick, Director *Willis* Phone: 465-2521
 Division: Banking, Securities and Corporations Date: _____

Approved by Commissioner: J. Anthony Smith *Anthony Smith* Date: 2/24/88
 Agency: Department of Commerce and Economic Development

Distribution (by preparer):

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

0644D-10/22288a

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: Mergers between municipal public utilities and telephone or electric coops
Sponsor: Kerttula
Requestor: _____

Agency Affected: Commerce & Economic Development
BRU: AUC
Components: Operations

EXPENDITURES/REVENUES: (Thousands of Dollars)

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

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

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

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

Enactment of this bill will have no effect on the current level of Commission responsibilities and workload.

Prepared by: T.S. Moninski, II Executive Director Phone: 276-6222
Division: Alaska Public Utilities Commission Date: 2/23/88

Approved by Commissioner: [Signature] Date: 2/25/88
Agency: Commerce & Economic Development

Distribution (by preparer):

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

S B

3 8 8

Alaska State Legislature

ARLISS STURGULEWSKI, Chairman
TIM KELLY, Vice Chairman
RICK HALFORD
MIKE SZYMANSKI
FRED ZHAROFF



P. O. BOX V
JUNEAU, ALASKA 99811
(907) 465-4989

Senate Community and Regional Affairs Committee

May 3, 1988

TO: Members,
Senate Community and Regional Affairs Committee

FROM: Staff *MKL*
Senate Community and Regional Affairs Committee

RE: SB 388 - "An Act relating to entitlements for municipalities and unincorporated communities; efd."

This bill would increase the minimum entitlement for municipalities and unincorporated communities from \$25,000 to \$50,000. This bill has a zero fiscal note, but if additional money is not appropriated, it will cause a decrease in funding to larger municipalities of \$3,510,000.

The Municipal League supports the legislation but recommends that the bill be amended to have an effective date when the appropriation to the Department of Community and Regional Affairs for state revenue sharing for FY 89 equals at least \$44,283,400. This is the language the house used in their version of the bill (HB 439).

In this packet is a position paper and fiscal note from DC&RA and a position paper from the AML.

STATE OF ALASKA

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

STEVE COWPER, GOVERNOR

P.O. BOX B
JUNEAU, ALASKA 99811-2100
PHONE: (907) 465-4700

949 E. 36TH AVENUE, SUITE 400
ANCHORAGE, ALASKA 99508-4302
PHONE: (907) 563-1073

May 2, 1988

POSITION PAPER

RE. Senate Bill 388: "An Act relating to entitlements for municipalities and unincorporated communities; and providing for an effective date."

SPONSORS: Senators Hensley, Binkley, and Zharoff

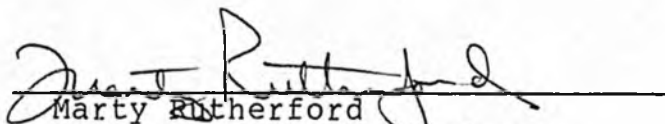
EFFECTS OF BILL:

This bill would increase the State Revenue Sharing entitlement for unincorporated communities from \$25,000 to \$50,000 and the minimum municipal entitlement from \$25,000 to \$50,000. In FY 88, 74 unincorporated communities received State Aid to Unincorporated Communities under the State Revenue Sharing Program. Unincorporated community entitlements are paid out of the Miscellaneous Services account, along with entitlements to municipalities for roads, health facilities and hospitals, and entitlements to volunteer fire departments in the unorganized borough. The revenue sharing entitlements from this account have been prorated at about 55.52 percent in FY 88, so that unincorporated communities received \$13,898 rather than \$25,000. Assuming FY 88 funding variables, raising the unincorporated community entitlement to \$50,000 would increase the actual payment to unincorporated communities to about \$25,885 through a reallocation of funds within the Miscellaneous Services account. Other payments from this account would be reduced by about 6.9 percent.

In FY 88, 78 municipalities received funds under the minimum municipal entitlement provision. The amount of money used to fund the existing minimum municipal entitlement (\$25,000 plus a geographic differential) was about \$1.4 million, which comes from the tax equalization account of the state revenue sharing program. Assuming FY 88 funding variables, this bill will

SB 388
May 2, 1988
Page Two

include an additional 25 communities under the minimum municipal entitlement provision. Actual payments will vary, based upon differing COLA's and the impact of the prorationing of the tax equalization account. The proration factor for other payments from the tax equalization account would fall from about 94.9 percent to about 86.8 percent.


Marty Rutherford
Acting Deputy Commissioner

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: "An act..entitlements for municipalities & unincorporated communities.."
Sponsor: Hensley, Binkley & Zharoff
Requestor: _____

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

EXPENDITURES/REVENUES: (Thousands of Dollars)

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

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Jim Plasman, Deputy Director Phone: 465-4750
Division: Municipal & Regional Assistance Date: 5/2/88

Approved by Commissioner: [Signature] Date: 5/02/88
Agency: Community & Regional Affairs

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

FISCAL NOTE ATTACHMENT
SB 388

While this bill would not have a fiscal impact on the department's operations, it would affect the allocation of funds under the revenue sharing formula.

The impact on the Miscellaneous Services Account of such a change would be a decline in the proration factor for the Miscellaneous Services Account of about 3.75 percent. Assuming FY 88 variables, this would reduce the Miscellaneous Services proration factor from about 55.52 percent to 51.77 percent. For unincorporated communities, their actual payment would rise from the FY 88 payment of \$13,898 (based upon a \$25,000 entitlement level) to \$25,885 (based upon the proposed \$50,000 level). Other payments from this account for roads, health facilities, hospitals, and volunteer fire departments outside of municipalities would be reduced by about 6.9 percent. Assuming FY 88 variables, in order to "hold harmless" other recipients from this account, \$1,027,125 would have to be added to the account.

The impact on the Tax Equalization Account would be two-fold. While there would be the direct impact of raising the municipal minimum entitlement, there would also be an indirect impact from raising the unincorporated community entitlement. With the reduction in the amount municipalities receive for roads and health facilities, some municipalities would need incrementally more for the minimum entitlement add-on paid out of the tax equalization account. The impact would be to reduce payments to other recipients from the Tax Equalization Account by about 10 percent. Assuming FY 88 variables, the decrease would amount to 9.34 percent and, in order to "hold harmless" other recipients under this account, an additional \$2,482,875 would need to be added to this account.

Alaska MUNICIPAL League

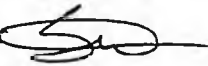
TELEPHONE
(907) 586-1325

105 MUNICIPAL WAY, SUITE 301
JUNEAU, ALASKA 99801

May 3, 1988

MEMORANDUM

TO: Senator Arliss Sturgulewski, Chair
Members of the Senate Community and Regional Affairs Committee

FROM: Scott A. Burgess, Executive Director 
Alaska Municipal League

SUBJECT: SB 388 - Increasing Minimum Entitlements

On behalf of its member municipalities, the Alaska Municipal League supports the concept of SB 388, increasing the minimum entitlements under the State Revenue Sharing Program. However, without increasing the level of funding for the program, the League cannot support the actual legislation, and asks that it be amended.

AML Policy Statement states in Part I.B.1:

- "b. In those cases in which legislation is approved increasing the state revenue sharing entitlement for specific recipients or for a specific purpose, the League advocates that the total funding for state revenue sharing be increased accordingly in order to preclude the dilution of funding to other recipients.
- c. The League supports an increase in the state revenue sharing minimum entitlements."

Increasing the minimum entitlement from \$25,000 to \$50,000 without increasing the total appropriation for State Revenue Sharing will further dilute or reduce funding amounts to municipalities. Funding levels have already declined over 30% in the last two years. In fact, the low levels of total funding of the Revenue Sharing Program has resulted in the current minimum entitlement and other specific programs under "State Aid for Miscellaneous Purposes," e.g., roads, ice roads, and health facilities, being prorated, i.e., underfunded. The Department of Community and Regional Affairs estimates that the total State Revenue Sharing amount would have to be increased approximately \$3.51 million to hold communities harmless given current funding levels. Prorating would still be necessary, however.

Alaska State Senate

P.O. Box V
Juneau, AK 99811
Phone: (907) 465-2444
465-3862/465-4923



Senate Finance Committee
State Affairs Committee
Vice-Chair, Rules Committee
Chair, Administrative Regulation Review

P.O. Box 1069
Kotzebue, Alaska 99752
(907) 442-2494

William L. Hensley

File
Delivered
4/19/88
M&E

MEMORANDUM

To: Senator Sturgelewski, Chairman
Community & Regional Affairs Committee

From: Senator Hensley *WLH*

Date: February 22, 1988

Re: SB 388, increasing municipal entitlements.

Senator, I would appreciate the committee scheduling a hearing on SB 388 as soon as convenient. I have received a fair amount of interest in this bill and believe that there would be a number of people who wish to testify to its merits.

S B

396

File # ASB 316

ALEUTIANS EAST BOROUGH

SERVING THE COMMUNITIES OF

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

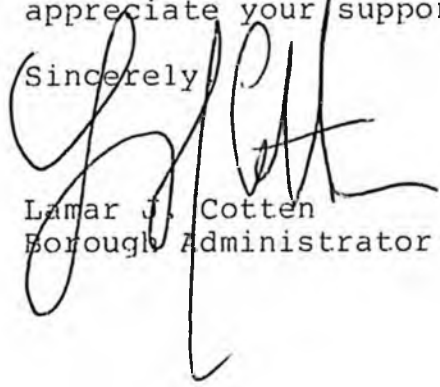
February 29, 1986

Senator Arliss Sturgulewski
P.O. Box V
Juneau, Alaska 99811

Dear Arliss:

Just a short note to say thank you for the time concerning SB 396. Again, the Borough does have problems with this bill and views that it an internal; not a state matter. I appreciate your support on this subject.

Sincerely,



Lamar J. Cotten
Borough Administrator

ALEUTIANS EAST BOROUGH

SERVING THE COMMUNITIES OF

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

TO: Dick Jacobsen, Mayor and Assembly Members
FR: Lamar J. Cotten, Borough Administrator
RE: Education Transition Plan
DT: February 7, 1988

Attached please find Resolution 88-4. This resolution addresses the issue of the transfer of educational responsibilities from the two Cities and the REAA to the Borough. As you will note, by the background information, and correspondence the transition of the three school districts into one does not have to be a complicated affair. In fact, it can be fairly straight forward activity if everyone strives for cooperation and understanding. This resolution in compliance with State Statutes, attempts to do that. It entails the following:

1. Establishes that the Borough will take over the function of education on or about July 1, 1989. My recommendation for this date, is based in large part, on the fact that it will take a longer time than expected to develop a cohesive and orderly plan for the transition. I have asked for the Assembly to consider the date of on or about July 1, 1989 because of some unforeseen advantage or disadvantage to have the actual date in FY 89 as oppose to FY 90.
2. The Assembly provides a blanket allowance and approval for the Cities and REAA to execute contracts for supplies, materials which are made before July 1, 1989, individual teachers contract for the school year 88-89 and renewal of employment agreements for contracts not to exceed July 1, 1989. Other contracts and obligations are void unless approved by the Assembly. Contracts, however, requiring prior Assembly approval would include but not be limited to equipment purchases over \$6,000, contracts for acquisition of capital improvements over \$10,000 contracts and professional services including lobbying services that will not be paid for prior to July 1, 1989, any contract or obligation that would obligate the Borough to make any payment after July 1, 1989, and a labor agreement or the extension of existing labor agreement with the representatives of a group of employees of the district.
3. Allowance for the Mayor, in certain circumstances, to approve such contracts without direct Assembly approval. The Borough School Board may exercise the approval authority of the Assembly with regards to teachers contracts which must be offered for the 1989-90 school year. No real or equipment assets over \$200 may be disposed of without prior approval of the Assembly.

4. Gives direction to the new School Board to call and conduct meetings, adopt policies by-laws, policy manuals, etc. necessary for the Board to function during the transition period and when it takes over the function of education. Authorizes School Board to negotiate contract for superintendent of the Borough School District. Authorizes the School Board to expend funds within the limits set by the Assembly. Appoint sub-committees and advisory boards as needed.

ALEUTIANS EAST BOROUGH

SERVING THE COMMUNITIES OF

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ALEUTIANS EAST BOROUGH, ALASKA

Resolution No. 88-~~88~~ 4

A RESOLUTION ESTABLISHING THE ANTICIPATED DATE FOR THE BOROUGH ASSUMPTION OF THE EDUCATION FUNCTION; DELINEATING THE REAA AND CITY SCHOOL DISTRICT CONTRACTS THAT MUST HAVE ASSEMBLY APPROVAL; AUTHORIZING THE BOROUGH SCHOOL BOARD TO UNDERTAKE LIMITED EDUCATION FUNCTIONS IN ORDER TO PLAN AND IMPLEMENT AN ORDERLY TRANSITION OF THE EDUCATION FUNCTION; AND DEALING WITH OTHER MATTERS RELATING TO THE TRANSITION OF THE EDUCATION FUNCTION.

WHEREAS, the Aleutians East Borough was established on October 23, 1987, and

WHEREAS, Title 29 of the Alaska Statutes requires boroughs to exercise the education power on an areawide basis, and

WHEREAS, AS 29.05.140 requires that borough powers exercised by cities and service areas within a newly formed borough be assumed by the borough within two years of the date of incorporation, and

WHEREAS, the assembly has called for a special election on February 29, 1988 for the purpose of electing members to the new borough school board, and

WHEREAS, the new borough school board should be given sufficient time to consult with existing city school district and REAA school officials in order to develop a plan for an orderly transition of the education power from the existing districts and REAA to the borough school district, and

WHEREAS, AS 29.05.140 prohibits a service area from incurring any new obligations or contracts and from transferring any assets without the consent of the assembly, and

WHEREAS, blanket approval for certain types of contracts should be given to permit the existing school districts and the REAA to continue to function during the transition period without obtaining assembly approval of routine contracts, and

WHEREAS, the difference in the financial consequences of assuming the educational powers before July 1 and after July 1 of 1989 have not yet been determined,

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE ALEUTIANS EAST BOROUGH:

1. That the assembly anticipates that the borough will assume the full education powers and functions on or about July 1, 1989 but that the actual date of assumption will be established by the assembly by a separate resolution.

2. That pursuant to AS 29.05.140(c) the assembly gives its advance approval to the execution by the city school districts and the Aleutian REAA of contracts, purchases and other obligations for the following purposes and under the restrictions set out below:

(a) For ordinary supplies and materials where payment is to be made prior to July 1, 1989.

(b) Individual teachers' contracts for the 1988-89 school year.

(c) New and renewed employment agreements for all other employees; provided, such agreements may not obligate the REAA, a city school district or the borough school district in any manner beyond July 1, 1989.

3. That contracts and other obligations not set out in paragraph 2 above are void unless approved by the assembly. Contracts and other obligations requiring prior assembly approval include, but are not limited to:

(a) Purchases of equipment if the price or value of an individual piece of equipment exceeds ~~\$2,000~~ ^{\$16,000}. The mayor, at the request of the REAA or a city school district may determine whether an equipment purchase falls within the requirements of this subparagraph. (4,000 AM)?

(b) Contracts for the acquisition of capital improvements, including land and interests in land, of more than \$10,000.

(c) Contracts for personal or professional services other than lobbying services that will not be performed and paid for prior to July 1, 1989.

(d) Any contract or other obligation of any nature, including the exercise of an option, that would obligate the borough to make any payment after July 1, 1989 including the grant of an option to another that by its exercise would create an obligation to be performed on or after July 1, 1989 by a city school district, the REAA, the borough or the borough school district.

(e) A labor agreement, or an extension of an existing labor agreement, with the representative of any group of employees of a city school district or the REAA.

(f) Contracts for lobbying services.

4. That the mayor may approve, on behalf of the assembly, any contract, agreement or other obligation of a city school district or the REAA if the mayor determines that it is critical to have the obligation approved prior to the next regular assembly meeting and that, in the mayor's opinion, the policy matters to be considered in approving the obligation do not justify the expense of a special assembly meeting or that the difficulty of holding a special assembly meeting within the time required outweighs the policy matters at stake. The mayor shall report to the assembly at its next regular or special meeting the approval of a contract under this paragraph along with the reasons justifying the approval.

5. That unless a different approval process is later established by the assembly, the borough school board may exercise the approval authority of the assembly with regard to teachers' contracts that must be offered for the 1989/90 school year.

6. That the Aleutians REAA and the city school districts may not dispose of any equipment or real assets valued at more than \$200 without prior approval of the assembly.

7. That the borough assumes, but only to the extent necessary, so much of the education power as is necessary for the borough school board to perform the following functions:

(a) Call and conduct borough school board meetings.

(b) Adopt policies, bylaws, policy manuals and other operating manuals; provided, except for those policies

and bylaws that are necessary for the board to function during the transition period, such policies, bylaws, and manuals shall become effective only upon the date set out by the assembly in a separate resolution as the date upon which the borough assumes the full range of education powers.

(c) Develop a transition plan for the orderly and timely transfer of the education functions and facilities.

(d) Commence recruitment for and negotiations with a person who will become the superintendent of the borough school district; provided, no contract or agreement with such a person may be entered into before assembly assumption of full education powers unless the contract or agreement is approved by the assembly.

(e) Authorize, within the limits of assembly appropriations for that purpose, the expenditure of monies for:

(1) Compensation, per diem, and expense reimbursement for members of the school board.

(2) Expenses associated with school board meetings.

(3) Expenses associated with the development of a transition plan, including the retention of services of a consultant or other professional deemed necessary by the school board to assist in establishing or implementing a transition plan.

(4) Such other purposes as may be specifically set out in an assembly appropriation ordinance, or approved by the assembly by motion or resolution, or as is fairly implied as necessary to perform a function authorized to the school board by the assembly.

(f) Appoint subcommittees and advisory boards and provide for the payment of per diem and reimbursements for advisory board members.

8. That the school board has no authority to assume any additional education powers nor to establish the date for the actual assumption by the borough of the education power; however, the school board may recommend to the assembly the date it believes most appropriate for the assumption of the powers and may further recommend that prior to assumption of full education powers, the assembly assume minor parts of the education power not assumed under this resolution.

ADOPTED this _____ day of _____, 1988.

Mayor

ATTEST:

Clerk

ALEUTIANS EAST BOROUGH

SERVING THE COMMUNITIES OF

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

February 10, 1988

Honorable Arlis Sturgulewski
Alaska State Senate
P.O. Box V
Juneau, Alaska 99811

RE: Senate Bill 396

Dear Senator Sturgulewski:

This letter concerns the Senate Bill 396 An Act Relating to the Assumption of Educational Powers by Newly Incorporated Municipality. As you are aware, the Aleutians East Borough (AEB) incorporated on October 23, 1987. A key objective of the newly incorporated Borough has been to insure a smooth transition in the consolidation of the three existing school districts into one Borough School District. The new school board shall be the entity that puts together a transition plan within guidelines set by the Assembly. The Assembly, per State Statutes, sets the date for the transition of powers from the existing school districts to the Borough School District. That date, however, has not been set. The Assembly is reviewing that option at this time.

At first glance, the Borough has few objectives with this bill. However, after reflection, we do find a number of problems with its direction and implications. They include:

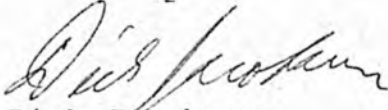
1. It takes a local issue out of the hands of local people. This bill in effect attempts to circumvent local option and control of an ongoing transition process. It appears to reflect a desire to intervene in a local matter without just cause.
2. It changes the rules after incorporation. If this bill is designed for future boroughs, that is fine. Other areas will then have a clear understanding of the rules before it organizes. If this Bill, however, apply to AEB, it changes the rules once the process has started. In effect it says, "We don't like the way you are following State Statutes. Therefore, while you are making the effort to consolidate the school districts we think we will add a few more rules on top of it." Again, this amounts to State interferences into a local matter.

3. It sets a poor precedence for other areas that are interested in incorporating. The bill implies that that, a) the State may change some of the rules after incorporation and b) if a faction within a community does not like the way a borough is operating, the State, with little understanding of the issues involved, may intervene. In short, it serves as a disincentive not as an incentive for other areas to organize.

4. It questions the trust and sincerity of locally elected people. The bill implies something has occurred or will occur which will ill-effect the region. It presupposes poor or questionable judgment by local residents. Again, this is simply not the case and reflects a lack of knowledge of the regions ability to solve problems at the local level.

The Borough and the community residents of the Borough wish to resolve these types of issues internally; not with State interference. It feels that it has had an excellent record of local decision-making over the last 15-20 years. It feels that matters such as these should be solved by those who are directly involved; not by State Legislature which clearly is not knowledgeable of the details of the issues. Hence, we do not support this bill and ask for you to oppose it.

Sincerely,



Dick Jacobsen
Mayor
1007 W. 3rd., Suite 201
Anchorage, Alaska 99501
274-7555

Aleutian Eagle

Vol. VII, Ed. 6

Published in Unalaska/Dutch Harbor and 34 Southwest Alaska Communities

February 25, 1988

Mean Weather Fishermen's Foe

Tuesday morning, Coast Guard patrollers were alerted to watch for a mysterious tanker that had passed through Unimak Pass earlier, colliding with the FV Abadozonza, in the process.

Fortunately the fishing vessel suffered a 15-foot crease, not a hole. The tanker no doubt has a crease or two of her own.

The tanker didn't stop after the 4 AM collision, and it was not known whether her crew was aware of having hit the fishing vessel.

It seems as if the weather has been too much with us the past week.

On islands that has meant digging out of deep snow or just staying snowed in, the school bus over an hour late, no planes.

At sea the weather has meant danger and loss, with four boats badly damaged or sunk but no lives lost over the past week.

The Coast Guard was geared up for search and rescue, but they say it was other fishermen who were the real heroes in most of the latest incidents.

F/V Captain Billy

The rescue of the six-man crew of the FV Captain Billy was a Coast Guard operation, involving two C-130s, a helicopter and two crews.

The beginning of the end of the Captain Billy was last Wednesday when her skipper, Brian Kanzaki, decided to ride out a storm on the south side of Yuanska Island. As the crew tried to move the vessel closer to the island, a freak wave broke out a window in the wheel house and shorted out the steering. Then 20-foot seas flung her over a sand bar, leaving her stuck on the beach.

The crew called the Coast Guard and stayed aboard for several hours till the tide backed off and they could make their way through the surf onto the beach. As they built a roaring bonfire on the beach, the first C-130 appeared, dropping them food, dry clothing, and a radio. Heavy seas prevented a Seattle-based cutter, the Dominator, from launching a small boat to pick up the men, and Thursday evening, they were taken from the island by Coast Guard helicopter and transported to Dutch Harbor.

F/V Polar Lady

The weather and the seas were unkind, also on Wednesday, to the F/V Polar Lady. About 30 miles west of St. Paul, she was struck by a wave that broke a window in her wheelhouse. Fire then

(Continued on Page 11)

Bering Sea Communities, USSR, Seattle: Commonality of Interest

Unalaska's Mayor Paul Fuhs is in Seattle today at the invitation of that city's Chamber of Commerce to address its members regarding the Bering Sea bottomfish fishery and ways both Alaska and Washington can bring home the benefits.

Among the topics Fuhs is discussing in that context are the Unalaska proposal to Americanize the fishery support industry; changes in policy and practice that both Alaska and Washington should support to assure the longrun value of the fishery; the wastefulness of the too-long-on-going Alaska vs. Washington scenario in the face of the need for cooperation to assure sound management of the fishery; and ways Seattle/Tacoma can cooperate with Unalaska and other Alaskan cities to make certain a substantial amount of the fish pass through all their ports, as Americanization proceeds.

Then On to The USSR

Mayor Fuhs is among 20 representatives of the American fish industry who have been invited to a joint American-Soviet industry to industry meeting in Khabarovsk, USSR, March 14-18.

Coordinator of the group is North Pacific Fishery Management Council Chair Jim Campbell.

The meeting is a response to one provision of a bilateral U.S./Soviet



agreement reached in principle the end of January. The provision agrees that American fishermen will have access to fish in the Soviet Union's Exclusive Economic Zone. The goal of the meeting is the reaching of an agreement between the industries of the two countries as to how that access will occur.

The Alaska Crab Coalition, which has worked particularly hard with the U.S. State Department the last year and a half for such access, believes what is needed is a "sound commercial agreement that will require the development of a joint venture company." Fuhs supports that sort of

(Continued on Page 3)

Aleutians East Borough Assembly Acts to Resolve Districts' Anxieties

On Monday, February 29, voters throughout the Aleutians East Borough will go to the polls to elect the school board that will formulate the framework within which education will be provided to the coming generations of youth in the communities joined in the borough.

While candidates for the seven-member board represent four separate district, voters from any community may vote for any candidate, regardless of where either lives.

The board will have three members from District 1, which is the City of Sand Point; two from District 2, the City of King Cove; one from District 3, the City of Cold Bay; and one from District 4, Akutan/False Pass/Nelson Lagoon.

Seeking election from Sand Point are Noel Hemenover, Edith Jacobsen, Richard Kochuten, Janet Ludvick, Susan Osterback, and Edgar Smith. From King Cove, Edwin Bendixen, Kathie Gould,

Glenn Guffey, and Alex Samuelson. From Cold Bay, Carl Mack and Michael Meliello; and from the rest of the borough, Zenia Borenin, Allen Nelson, and Gilda Shellikoff.

Once elected, the board must develop policy for the schools within the district, develop procedures for the conducting of school business areawide, and create a framework assuring students of equal opportunities for education, all without inciting confusion in the process.

To provide stability in the time between the election of the school board and July 1, 1989, when the Aleutians East Borough must undertake its mandated responsibility for education, the Assembly has promised that the takeover indeed will not occur before July 1, 1989. And it will not meddle in the day to day affairs of current school districts in the interim. Purchases over \$6,000 and real estate transactions must be approved by the Assembly, however.

Dock Lighting Jobs Bill Project

The small state-owned dock by the Unisea Inn in Dutch Harbor will be lighted, some funds provided for water and sewer extension in Unalaska, and small but important job-creating projects undertaken around the southwest, according to Senator Fred Zharoff and Representatives Cliff Davidson and Adelheid Herrmann who have announced the District N projects now incorporated into House Bill No. 512 and Senate Bill No. 430, the two versions of the \$75 million Jobs Bill introduced in mid-February by Governor Steve Cowper.

The finance committees of the House and Senate are presently holding joint hearings on the two identical bills. Legislators are expected to accept recommendations of individual legislators for projects in their districts and approve the bills before the end of the month.

Both versions of the legislation allocate \$1.62 million for each single member House district and \$10.2 million for the Governor for administrative priorities.

Among the projects announced by the legislators are the following:

Adak School District	
emergency roof repair	\$ 50,000
Akhiok community building,	
electrical upgrade, and	
erosion control	100,000
Atka road repair	30,000
Chignik bridge and emergency	
shelter completion	250,000
Chignik Lagoon road and	
flood control	25,000
Chignik Lake centralized	
electrification	75,000
Chiniak emergency building	
and satellite ground pad	100,000
Egegik sewage lagoon	100,000
False Pass road improvements	40,000
False Pass sockeye	
incubation site	41,000
Ivanof Bay emergency shelter	75,000
Karluk landfill relocation,	
erosion control and historic	
preservation	100,000
King Cove hydro/transmission	
distribution line	150,000
Nelson Lagoon erosion	
control and dock	25,000
Nikolski building improve-	
ments	25,000
Larsen Bay erosion control	65,000
Old Harbor erosion control,	
solar facility relocation	
and community upgrade	75,000
Ouzinkie firehall extension,	
greenhouse, and parks	
and trails	75,000

(Continued on Page 11)

File for file in bill
in committee

ALEUTIANS EAST BOROUGH

SERVING THE COMMUNITIES OF

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

February 24, 1988

Honorable Arliss Sturgulewski
Alaska State Senate
P.O. Box V
Juneau, Alaska 99811

RE: Senate Bill 396 Assumption of Educational Powers

Dear Senator Sturgulewski:

This letter follows-up previous correspondence concerning Senate Bill 396. The following statement made by the Alaska Municipal League education sub-committee clearly represent the Aleutians East Borough's concern on this bill. The Borough feels this legislation is counter-protective to its ongoing education consolidation process.

"AS 29.05.140 presently requires a newly formed Borough to assume the education power within two years of incorporation and requires the appropriate municipal officials to consult with school district and REAA officials to arrange an orderly transfer of the power. This requirement for consultation to arrange an orderly transfer is sufficient to cover the proposed requirements set out in the first three sentences of this bill. Further, the first sentence requires that the new school board establish a timetable for transition. This would appear in place in the new school board a determination of when the transfer would occur. However, the existing provision of section 140 make assembly the body that determines when the transfer will occur. The date of the transfer has substantial local financial implications that go beyond the concerns of the school board. These are the concerns of the assembly and there should be no doubts cast on the authority of the Assembly to weigh the financial implications of the date of transfer of the power and determine the date transfer accordingly.

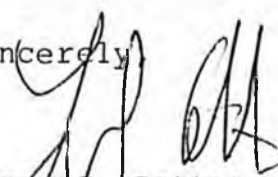
The last sentence of the Bill would unnecessarily restrict the option available to the new school board to efficiently managing the school system by devoting its scarce financial resources as it sees fit. Also, it would limit the ability of the school board to adjust attendance areas until to all funds of the former school

districts were expended. If it is important that the funds of the former district be spent only in the former district, it would follow that no district should receive additional funds, even if needed. Where, indeed, would such additional funds come from if not from the funds of another former district? How would the new district meet the needs of a central administration if it could not use funds of former districts outside the district.

The bill is confusing, overly restrictive, and unnecessary."

I hope you give the AML Education sub-committee comments some consideration.

Sincerely,



Lamar J. Cotten
Borough Administrator
1007 W. Brd., Suite 201
Anchorage, Alaska 99501

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

ALEUTIANS EAST BOROUGH

SERVING THE COMMUNITIES OF

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

February 24, 1988

Honorable Arliss Sturgulewski
Alaska State Senate
P.O. Box V
Juneau, Alaska 99811

RE: Senate Bill 396 Assumption of Educational Powers

Dear Senator Sturgulewski:

This letter follows-up previous correspondence concerning Senate Bill 396. The following statement made by the Alaska Municipal League education sub-committee clearly represent the Aleutians East Borough's concern on this bill. The Borough feels this legislation is counter-protective to its ongoing education consolidation process.

"AS 29.05.140 presently requires a newly formed Borough to assume the education power within two years of incorporation and requires the appropriate municipal officials to consult with school district and REAA officials to arrange an orderly transfer of the power. This requirement for consultation to arrange an orderly transfer is sufficient to cover the proposed requirements set out in the first three sentences of this bill. Further, the first sentence requires that the new school board establish a timetable for transition. This would appear in place in the new school board a determination of when the transfer would occur. However, the existing provision of section 140 make assembly the body that determines when the transfer will occur. The date of the transfer has substantial local financial implications that go beyond the concerns of the school board. These are the concerns of the assembly and there should be no doubts cast on the authority of the Assembly to weigh the financial implications of the date of transfer of the power and determine the date transfer accordingly.

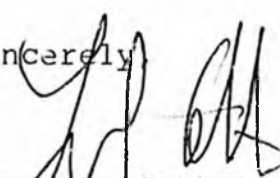
The last sentence of the Bill would unnecessarily restrict the option available to the new school board to efficiently managing the school system by devoting its scarce financial resources as it sees fit. Also, it would limit the ability of the school board to adjust attendance areas until to all funds of the former school

districts were expended. If it is important that the funds of the former district be spent only in the former district, it would follow that no district should receive additional funds, even if needed. Where, indeed, would such additional funds come from if not from the funds of another former district? How would the new district meet the needs of a central administration if it could not use funds of former districts outside the district.

The bill is confusing, overly restrictive, and unnecessary."

I hope you give the AML Education sub-committee comments some consideration.

Sincerely,



Lamar J. Cotten
Borough Administrator
1007 W. Brd., Suite 201
Anchorage, Alaska 99501

SB

404

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of 3/10/88 5-DAY NOTICE
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER: Finance

**FISCAL NOTE(S) ATTACHED Yes **
IN ACCORDANCE WITH AS 24.08.035
(see below)

2/10/83

DATE TURNED INTO OFFICE 3/18/88

Mr. President:

C&RA Committee considered SB 404

transportation and municipal regulation and taxation of alcoholic beverages.

and recommended:

replace with CS for SB 404 same title
 attached amendment(s) and new title

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

letter of intent adopted and attached

** Committee attached or adopted fiscal note(s)
 zero fiscal impact

MEMBERS SIGNING DO PASS

Tim Kelly

OTHER RECOMMENDATIONS

Mike Spitzer - do not pass

Arthur Stangorluti Do Pass
Chairman signature and recommendation

Committee Backup Attached

5-1723B ✓

Ford

3/9/88

Original sponsor: Binkley

1 IN THE SENATE

BY THE COMMUNITY AND REGIONAL
AFFAIRS COMMITTEE

2 CS FOR SENATE BILL NO. 404 (C&RA)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to transportation and municipal
7 regulation and taxation of alcoholic beverages."

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

9 * Section 1. AS 04.16 is amended by adding a new section to read:

10 Sec. 04.16.125. TRANSPORTATION OF ALCOHOLIC BEVERAGES BY COMMON
11 CARRIER. (a) A person may not use a common carrier to transport
12 alcoholic beverages unless the alcoholic beverages and any shipping
13 container holding them are clearly labeled and readily identifiable as
14 alcoholic beverages or as containing alcoholic beverages.

15 (b) This section does not apply to a person transporting less
16 than two gallons of wine or malt beverages, or less than one gallon of
17 distilled spirits.

18 (c) In this section, "common carrier" means a motor vehicle,
19 watercraft, aircraft, or railroad car available for public hire to
20 transport freight.

21 * Sec. 2. AS 04.21.010(a) is amended to read:

22 (a) A municipality may adopt ordinances governing the importa-
23 tion, barter, sale, and consumption of alcoholic beverages within the
24 municipality [AS NECESSARY FOR THE ORDERLY CONDUCT OF THE BUSINESS OF
25 SELLING ALCOHOLIC BEVERAGES WITHIN THE MUNICIPALITY] and may ban
26 possession of alcoholic beverages under AS 04.11.498(d) or (e). An
27 ordinance adopted under this section may not be inconsistent with this
28 title or regulations adopted under this title.

29 * Sec. 3. AS 04.21.010(c) is amended to read:

1 (c) A municipality may not impose taxes on alcoholic beverages
2 except a

3 (1) property tax [TAXES] on alcoholic beverage inventories;

4 (2) sales tax [TAXES] on alcoholic beverage sales if sales
5 taxes are imposed on other sales within the municipality; [AND]

6 (3) sales tax [TAXES] on alcoholic beverage sales that were
7 in effect before July 1, 1985; and

8 (4) sales and use tax on alcoholic beverages if the sale of
9 alcoholic beverages within the municipality has been prohibited under
10 AS 04.11.490.

Alaska State Legislature

ARLISS STURGULEWSKI, Chairman
TIM KELLY, Vice Chairman
RICK HALFORD
MIKE SZYMANSKI
FRED ZHAROFF



P. O. BOX V
JUNEAU, ALASKA 99811
(907) 465-4989

Senate Community and Regional Affairs Committee

March 3, 1988

TO: Senate Community and Regional Affairs Committee Members

FROM: Senate C&RA Staff *ME*

RE: SB 404 - "An Act relating to transportation and municipal regulation and taxation of alcoholic beverages"

SB 404 changes three aspects of the law dealing with the transportation, importation, and taxation of alcohol.

Section 1 requires alcohol transported on a common carrier (more than two gallons of wine or beer or more than one gallon of distilled spirits) to be clearly labeled as alcohol.

Section 2 allows municipalities to regulate the importation of alcohol into their communities.

Section 3 would allow a community to impose a sales and use tax on alcoholic beverages if the municipality has banned the sale of alcohol.

This bill has zero fiscal notes from the Departments of Revenue and the Department of Public Safety. The Department of Community and Regional Affairs has not submitted a fiscal note but has indicated the bill will have no financial impact upon it.

A representative from the Department of Revenue will be at the meeting. Public Safety has indicated they will not be able to be at the meeting but has submitted a position paper supporting the bill.

BILL NO: SB 404

DATE: 3/2/88

TITLE: "An Act relating to transportation and municipal regulation and taxation of alcoholic beverages."

CONTACT: Col. Robert E. Jent

DEPARTMENT OF PUBLIC SAFETY

Movement of alcoholic beverages by common carrier to "dry" rural communities is often made in unlabeled containers making identification difficult for law enforcement authorities.

Passage of this legislation will assist in maintaining a stricter control of alcoholic beverages being transported to local option villages.

The Department of Public Safety supports this legislation.

for Arthur English
Arthur English, Commissioner
Department of Public Safety

FISCAL NOTE

REQUEST

Revision Date: _____
Title: "An Act relating to . . . alcoholic beverages."
Sponsor: Sen. Brinkley
Requestor: Senate C&RA

Agency Affected: Public Safety
BRU: Alaska State Troopers
Components: Detachments and VPSO
Contract/Support

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY88	FY89	FY90	FY91	FY92	FY93
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

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

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

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

No fiscal impact is anticipated.

Prepared by: Francis C. Allan
Division: Alaska State Troopers

Phone: 269-5691
Date: 3/2/88

Approved by Commissioner: *F. H. ...*
Agency: Public Safety

Date: 3-2-88

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

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: "An Act relating to transportation and municipal regulation and taxation of alcoholic beverages."
Sponsor: Senator Binkley
Requestor: Senate Finance

Agency Affected: Revenue
BRU: ABC BOARD
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

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

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

Prepared By: Patrick L. Sharrock, Director Phone: 277-8638
Division: Alcoholic Beverage Control Division Date: 03/02/88

Approved by Commissioner: Hugh Malone Date: 03/02/88
Agency: Department of Revenue

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

This CS
NOT THE 3/9/88
VERSION

5-1723B
Ford
3/11/88
~~_____~~
~~_____~~
~~_____~~

Original sponsor: Binkley

1 IN THE SENATE BY THE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

2 CS FOR SENATE BILL NO. 404 (C&RA)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FIFTEENTH LEGISLATURE - SECOND SESSION
5 A BILL

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9 * Section 1. AS 04.16 is amended by adding a new section to read:

10 Sec. 04.16.125. TRANSPORTATION OF ALCOHOLIC BEVERAGES BY COMMON
11 CARRIER. (a) A person may not use a common carrier to transport
12 alcoholic beverages into an area that has restricted the sale of
13 alcoholic beverages under AS 04.11.490, 04.11.492, or 04.11.500 unless
14 the shipping container holding the alcoholic beverages is clearly
15 labeled as containing alcoholic beverages.

16 (b) This section does not apply to a person transporting less
17 than two gallons of wine or malt beverages, or less than one gallon of
18 distilled spirits.

19 (c) In this section, "common carrier" means a motor vehicle,
20 watercraft, aircraft, or railroad car available for public hire to
21 transport freight.

22 * Sec. 2. AS 04.21.010(a) is amended to read:

23 (a) A municipality may adopt ordinances governing the importa-
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25 municipality [AS NECESSARY FOR THE ORDERLY CONDUCT OF THE BUSINESS OF
26 SELLING ALCOHOLIC BEVERAGES WITHIN THE MUNICIPALITY] and may ban
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8 in effect before July 1, 1985; and

9 (4) sales and use tax on alcoholic beverages if the sale of
10 alcoholic beverages within the municipality has been prohibited under
11 AS 04.11.490.

5-1723B ✓

Ford
3/9/88NOT THIS
CS

Original sponsor: Binkley

1 IN THE SENATE

BY THE COMMUNITY AND REGIONAL
AFFAIRS COMMITTEE

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10 AS 04.11.490.

Jamie Adair

1 IN THE SENATE

BY BINKLEY

2

SENATE BILL NO. 04

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act relating to transportation and municipal

7

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28

title or regulations adopted under this title.

29

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title

*Local Delivery
community*

*large
water
craft*

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10 AS 04.11.490.
11

handling fee
maybe title fee

Senator Johne Binkley

Senate Finance Committee
P.O. Box V • Juneau, Alaska 99811 • (907) 465-4985



Finance Committee
Co-Chairman

March 3, 1988

The Honorable Arliss Sturgulewski
Chairman, Community and Regional Affairs
Alaska State Senate
Room 427 Capitol Building
Juneau, AK 99811

Dear Senator Sturgulewski:

Today your committee will hear SB 404 relating to transportation and municipal regulation and taxation of alcohol. I would like to offer the following to the committee for its consideration.

The purpose behind this bill is to make a bootlegger's job more difficult and the job of law enforcement easier. In the first section, the requirement is made that any alcohol shipped via common carrier must be clearly labeled and readily identifiable as alcohol. The ABC Board currently has regulations which requires alcohol packaged by the licensee be "conspicuously" labeled as containing alcohol (see 15 AAC 104.645(d) attached); the provisions of this legislation would place the burden on the shipper, whether or not he is a licensee.

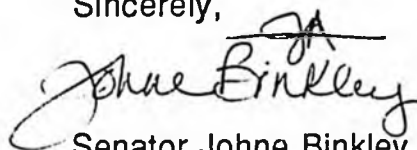
Section 2 adds to AS 04.21.010(a) that a municipality may adopt ordinances governing the importation of alcohol. Current law allows for the adoption of ordinances necessary for the "orderly conduct of the business of selling." However, many problems exist in those communities where the sale has been prohibited but importation has not. This provision will allow those communities to deal with the problems importation causes in the way that works best for them. It ties into 15 AAC 104.645(e) which stipulates that a local option community which has banned the sale of alcohol only may designate a community delivery site. Other ordinances that might be adopted could be 1) a cooling-off period between the time the alcohol arrives in the community and the time it can be picked up by the purchaser; 2) a requirement that only that person in whose name the order is placed may pick it up; or 3) the payment of a sales tax, which is the topic of Section 3.

AS 04.11.610 provides that the annual liquor license fees collected within a municipality shall be refunded semi-annually to the municipality. The refund is contingent upon the municipality enforcing "local ordinances, laws of the United States and the state, and the regulations relating to the manufacture

and sale of alcoholic beverages in the state..." Obviously, a municipality which has banned the sale of alcohol does not have any license fees to be refunded. Therefore, Section 3 allows a municipality which has banned the sale but not the importation of alcohol to enact a sales and use tax on imported alcohol. The amount collected would help to offset the cost of operating a community delivery site as well as the general costs to the community associated with alcohol use.

This bill is basically a local option bill. It gives communities the local control which they have stated time and time again is necessary to combat the problems of alcohol abuse in rural Alaska. I would greatly appreciate the Committee's favorable consideration of this important piece of legislation.

Sincerely,

A handwritten signature in cursive script that reads "John Binkley". The signature is written in dark ink and is positioned above the printed name.

Senator John Binkley
Yukon-Kuskokwim and
Interior Rivers

jka

(4) a numbered form, provided by the board or the licensee, containing a dated, signed, and sworn statement of a judge, magistrate, postmaster, or peace officer that the purchaser is known to him or her to be at least 21 years of age.

(c) Alcoholic beverages may be sold in response to a written order only if the written order is signed and dated by the purchaser, describes in reasonable detail the type and quantity of alcoholic beverages being ordered, refers by number to the purchaser's proof-of-age document required by (b) of this section, and bears a signature reasonably determined by the licensee to match that on the proof-of-age document. The licensee must note on the order that the signature and proof-of-age document number referred to on the order match those on the proof-of-age document. The written order may be modified by the licensee if the modification is in accordance with an oral or written communication from the purchaser. If a modification is made, the licensee must note on the original order the date of modification and the manner in which the modification was requested by the purchaser.

(d) A licensee may not package or deliver alcoholic beverages in response to a written order until full payment is received at the licensed premises. The alcoholic beverages may be personally delivered on the licensed premises to the purchaser or to an individual specifically authorized in the written order to receive the purchase and deliver it to the purchaser, or may be shipped by common or regulated carrier to the purchaser. If the purchaser gives a delivery site under (e) of this section, the order must be shipped to that delivery address that is in a community that has a specified community site. An order that is shipped must be packaged by the licensee in a parcel that bears a non-removable label that identifies the licensee, shows the written order number assigned under (g) of this section, and states conspicuously that the package contains alcoholic beverages.

(e) A municipality or established village that has adopted a local option under AS 04.11.490 to prohibit the sale of alcoholic beverages in the community may designate a community delivery site, subject to the board's approval, for the delivery of alcoholic beverages shipped to individuals in the community. The community delivery site must be secure from unauthorized access and must be controlled by the local governing body to assure protection of orders for purchasers. The site must be open for pick-up by purchasers at least three hours each day except weekends and state holidays. Alcoholic beverages may be claimed from the community delivery site only by the purchaser named on the package label. The purchaser must sign for the order on a form stating that the beverages are not for resale. The local governing body may impose reasonable storage and

handling of
delivery of
the notice
shipped in

(f) T
are convicted
AS 04.16.2
store license
beverages
board give
prohibited

(g) F
written order
document.
after delivery
log of written
documents
written on
the order
to which is

(h) F
places one
more than
gallons of
practice of

(i) I
personally on
the licensee
packed and
actions at
11/29/81.