

ALASKA LEGISLATURE COMMITTEE FILES 1987-1988 8672

5228 SCRA SB 454 - SB 468 800

19 AAC is amended by adding a new chapter to read:

CHAPTER 33. OFFSHORE FISHERIES BUSINESS TAX  
REVENUE SHARING PILOT PROJECT

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

(a) be a municipality incorporated under the laws of the State of Alaska;

(b) be located in the coastal area; and

(c) demonstrate significant impacts from the offshore fish processing industry during the reference year. (Eff. / / , Register )

Authority: AS 44.47.050,  
Sec. 26, Chapter 98,  
SLA 1985

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

(b) In order to participate in the program, an applicant must submit a completed application to the department postmarked by March 15 of the application year on an application form prescribed by the department.

(c) For good cause, the commissioner will, in his or her discretion, extend the application deadline. (Eff. / / , Register )

Authority: AS 44.47.050,  
Sec. 26, Chapter 98,  
SLA 1985

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

Authority: AS 44.47.050,  
Sec. 26, Chapter 98,  
SLA 1985

19 AAC 33.040. ALLOCATION. (a) The department will allocate available funds to each commercial fisheries management area in the proportion of the weight of commercial species processed offshore within each area divided by the total weight of commercial species processed offshore statewide. For the purposes of this section, management areas R and O will be combined.

(b) One-half of each commercial fisheries management area allocation will be distributed equally among all participating municipalities within the area. The other half of the area allocation will be distributed to participating municipalities within the area proportionate to the population increase within each municipality divided by the total population increase of participating municipalities within the area. (Eff. / / , Register )

Authority: AS 44.47.050,  
Sec. 26, Chapter 98,  
SLA 1985

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

Authority: AS 44.47.050,  
Sec. 26, Chapter 98  
SLA 1985

Register , 1987 COMMUNITY AND 19 AAC 33.060  
REGIONAL AFFAIRS 19 AAC 33.070

19 AAC 33.060. AGREEMENTS. A municipality and its officers and employees shall, upon request of the department, furnish available information and assistance required by the department in securing accurate information upon which to base the department's determinations. (Eff. / / , Register )

Authority: AS 44.47.050,  
Sec. 26, Chapter 98  
SLA 1985

19 AAC 33.070. DEFINITIONS. For the purposes of this chapter:

(a) "application year" means the state fiscal year for which a municipality submits an application for funding under 19 AAC 33;

(b) "coastal area" means the nine regions defined in AS 44.19.891(a)(1) from which members of the Alaska Coastal Policy Council are chosen, as set out in the annexed map (Attachment A).

(c) "commercial fisheries management area" means an area established by the Alaska Department of Fish and Game for management and statistical reporting purposes pursuant to AS 16.05.251(a)(2) and as shown on the annexed map (Attachment B).

(d) "commissioner" means the Commissioner of the Department of Community and Regional Affairs.

(e) "department" means the Department of Community and Regional Affairs.

(f) "fishing season" means that period in the reference year during which any species of fish, including shellfish, may be commercially taken under the regulations of the Alaska Department of Fish and Game, which is occurring in the commercial fisheries management area in which the municipality is located.

(g) "impacts" include ecological (such as the impacts on natural resources and the components, structures, and functioning of affected ecosystems), aesthetic, historic, cultural, economic, social, or health effects; and may be of the following types:

(1) direct impacts that are caused by, or are reasonably attributable to an activity or action and occur at the same time and place;

(2) indirect impacts that are caused by an action and are later in time or farther removed in distance; these may include growth inducing effects and other effects related to induced changes in the pattern of land use, population density, or growth rate, and related effects on air and water and other natural systems, including ecosystems; or

(3) cumulative impacts or the impacts on the human/physical environment that result from the incremental impact of an action when added to other past, present, and reasonably foreseeable future actions regardless of what agency, industry, or person undertakes such other actions; these can result from individually minor but collectively significant actions taking place over a period of time;

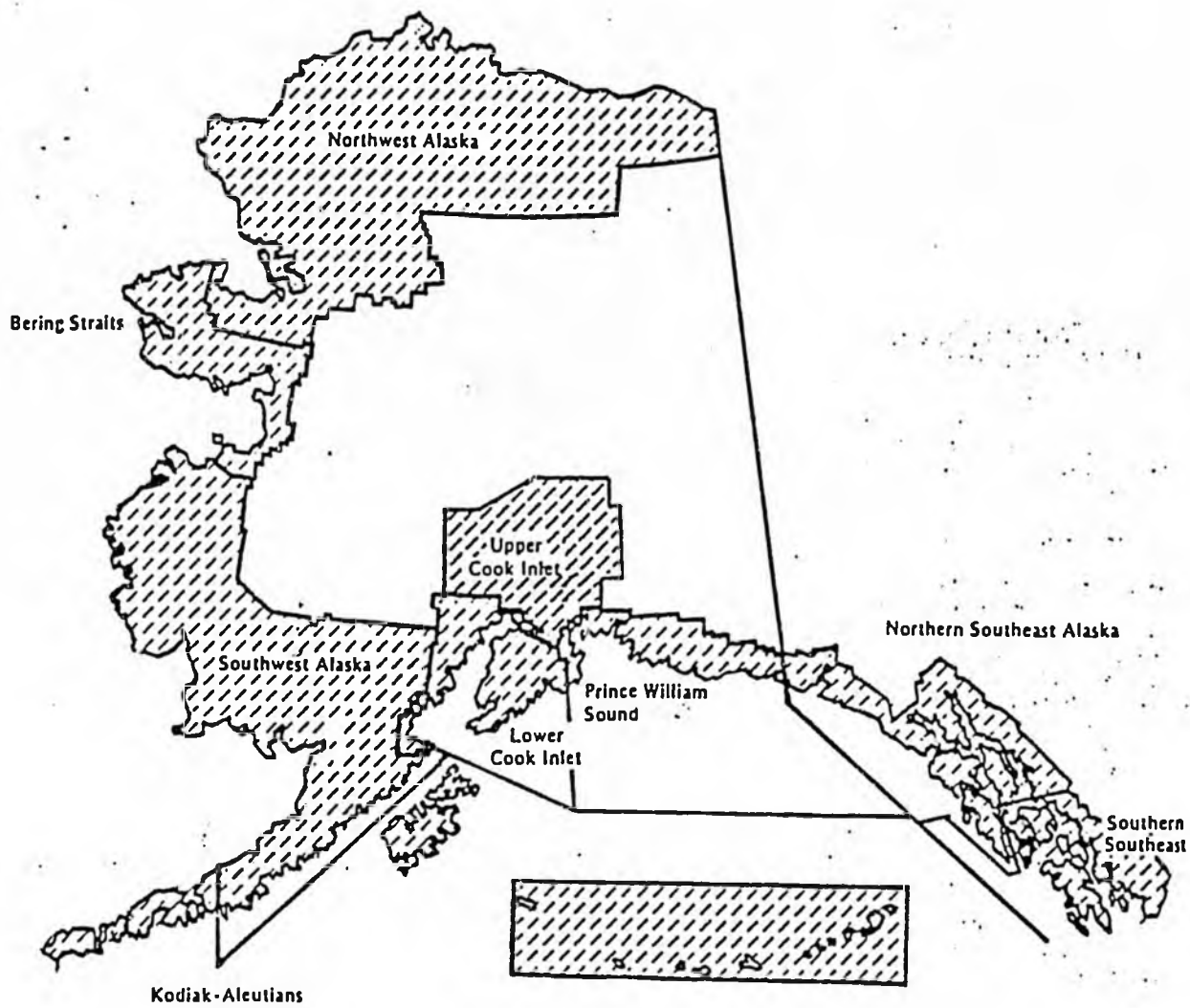
(h) "population increase" means the increase in population which is reasonably related to the offshore fish processing industry within municipal boundaries during the reference year above the municipal population determined by the Department of Community and Regional Affairs for the State Revenue Sharing Program pursuant to AS 29.60.020 for July 1 of the reference year; persons included in the population increase may be transient and need not have permanent ties with the community, but rather represent a peak level of demand on city services;

(i) "reference year" means that year from which population and fish weight data are drawn and in which the claimed significant impacts must have occurred; it is the calendar year immediately preceding the application year;

(j) "significant impact" means an impact of which the overall cumulative primary and secondary consequences significantly alter the quality of the human environment, curtail the choices of beneficial uses of the human environment, or interfere with the attainment of long-range human environmental goals; the word "significant" is intended to imply a threshold of importance and impact that must be met;

(k) "weight of commercial species" means the total pounds of ex-vessel commercial production of fish and shellfish within state waters as determined by the Alaska Department of Fish and Game for the reference year. (Eff. / / , Register )

Authority: AS 44.47.050,  
Sec. 26, Chapter 98,  
SLA 1985



NINE REGIONS FROM WHICH ELECTED OFFICIALS ARE  
SELECTED TO SERVE ON THE COASTAL POLICY COUNCIL

SOURCE: Alaska Department of Community and Regional Affairs, 1979. District Program Guidebook Series, Vol. 1. Coastal Management: What It Is And How It Works. Anchorage: DCRA.



### ALASKA COMMERCIAL FISHERIES REGIONS AND AREAS

#### REGION I: SOUTHEASTERN: Dixon Entrance to Cape Suckling

- Areas: A. Juneau & Yakutat  
 B. Ketchikan  
 C. Petersburg  
 D. Sitka

#### REGION II: CENTRAL: State Third Judicial Division Northern Boundary to Cape Suckling to Cape Douglas to Cape Mensehikof to Cape Newenham

- Areas: E. Prince William Sound  
 H. Cook Inlet  
 T. Bristol Bay (salmon and herring catch; all fish and shellfish production)

#### REGION III: ARCTIC-YUKON-KUSKOKWIM (AYK): North of State Third Judicial Division Northern Boundary which ends at the west at Cape Newenham including Nunivak, St. Matthew, and St. Lawrence Islands

- Areas: W. Kuskokwim  
 X. Kotzebue  
 Y. Yukon  
 Z. Norton Sound

#### REGION IV: WESTERN: Cape Douglas to Unimak Pass to Cape Newenham including Kodiak and Aleutian Islands

- Areas: K. Kodiak  
 L. Chignik  
 M. Alaska Peninsula  
 O. Dutch Harbor  
 Q. Bering Sea  
 R. Adak & W. Aleutians  
 T. Bristol Bay (fish other than salmon and herring catch; and shellfish catch)

# MEMORANDUM

State of Alaska

7

Hon. Mary Nordale, Commissioner DATE: January 18, 1985  
Department of Revenue

FILE NO: 366-313-85

TELEPHONE NO: 465-3600

FROM: Norman C. Gorsuch  
Attorney General

SUBJECT: Fish tax revenue  
sharing

By: *Martha A. Fox*  
Martha A. Fox  
Assistant Attorney General

You have asked whether, under the revenue sharing provisions of AS 43.75.130, the Department of Revenue (department) should distribute a percentage of the fisheries business taxes collected for processing that takes place outside of municipality, city, and borough boundaries. On examining the pertinent statutes, we conclude that there is no statutory basis for the department to distribute this revenue.

The department is currently distributing a percentage of the fisheries business tax it collects for processing that takes place within municipality or borough boundaries, but not for processing activities outside those boundaries. The department has been asked to review this practice in light of floating processors or shore-based vessel processors that are processing in waters outside of municipality or borough boundaries, but that are making use of local facilities and services.

The department is charged with administering the tax laws established by statute. AS 43.05.040. Any action it takes in administering the tax laws is limited by the terms and scope of the underlying statutes involved.

There has been a revenue sharing provision of some form in the fisheries business tax statutes since at least 1962. (Sec. 6, ch. 155, SLA 1962.) Apparently the general purpose of this revenue sharing was originally to provide educational funds for communities, and later to assist in financing other services including fisheries enhancement. (Papers in 1979 Senate C & RA Committee File on SB 132, Legislative Research Library, Juneau.) AS 43.75.130, the fisheries business tax revenue sharing provision, states:

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.

The pertinent language in the section requires the department to share a percentage of the tax revenue collected "in the municipality," "in the city," or "in the ... borough" from the fisheries business tax. There is no basis in this wording for sharing tax revenues from processing activities that take place outside of a local government area.

Under a literal reading of the statute, revenue sharing is only applicable to tax revenues collected in the municipality or borough. As a practical matter, actual collection of the tax will often not take place in the municipality, city, or borough in which the processing takes place. The department has interpreted AS 43.75.130 to mean that revenue sharing is applicable to tax revenue collected for processing that takes place in the municipality, city or borough.

This interpretation is apparently one of longstanding, and we believe that it is the correct interpretation of the revenue sharing statute. Given the purpose of revenue sharing, it is reasonable to assume that the legislature intended revenue sharing to go to communities that were affected by the processing activity rather than the place the tax was collected. The nature of the fisheries business tax also supports this interpretation. This is because the fisheries business tax is a tax on the activity of processing. <sup>1/</sup> The tax is imposed on "[a] person engaged in a fisheries business," (AS 43.75.015), which is defined as

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<sup>1/</sup> AS 43.75.100 imposes a tax on the taking of a fishery resource if it is not otherwise taxed under other provisions of AS 43.75. This section is intended to cover fisheries resources that are harvested but not processed in the state.

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;

AS 43.75.140(3). The tax is levied on a percentage of the value of the fisheries resource processed. Therefore, tax revenue collected from the fisheries business tax in a local government area would be from processing.

The statute makes no provision, however, for sharing revenues from taxes collected for processing that takes place outside of the local government area. We recognize that there may be some situations where these local governments are providing the types of services to processors that revenue sharing is generally intended to assist in financing. However, the department cannot take administrative action without underlying statutory authority, and there is no statutory authority for that type of revenue sharing in AS 43.75.130. 2/

Please let us know if we can be of any additional assistance.

MAF/mf

cc: Martin J. Richard  
Director of Audit

Steven R. Kettel  
Chief, Audit Services

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2/ The question presents additional issues concerning a proper method of allocating shared revenues among local governments when a processor impacts more than one community. With the statute silent on the issue of sharing revenues from processing outside of local government boundaries, there is no guidance on how to allocate. If the statute were changed to allow this type of revenue sharing it should also give guidance on the allocation issue.

# On Annexation — Clarks Point, Dillingham see no common ground

BPT  
10/3/86

by Bruce Baltar  
BayTimes Staff

City officials from Clarks Point and Dillingham met this week to seek common ground on the cities' conflicting annexation claims. But they could not come closer than an "agreement to disagree" on the main issue of annexing the waters of Nushagak Bay.

Both cities have filed annexation petitions with one major goal in mind: to tap more than \$500,000 in raw fish taxes that floating processors in Nushagak Bay pay the state each year. Although municipalities receive half of the raw fish taxes paid by processors within their boundaries, the migration of processors off-shore in recent years has deprived the cities of much of this revenue.

Clarks Point city council members and city administrator Sharon Clark met with Dillingham officials at city hall Tuesday to prepare for Local Boundary Commission hearings, which are scheduled in both communities tomorrow.

The meeting was friendly, but no compromise was reached. The stumbling block is that the processors congregate in a relatively small area off Clarks Point, the area Clarks Point councilman Mike Walker called "the money bag in the seine." Without giving up that most lucrative part of the Bay, there was little either side could offer by way of compromise.

Despite their inability to agree on boundaries, officials did agree to cooperate in seeking legislation to distribute some of the fish taxes locally if both annexation efforts fail. That is a distinct possibility. The boundary commission's staff has recommended complete rejection of the Clarks Point petition, and rejection of all of Dillingham's claim except for lands north of the city to about 13.5 mile on the Lake Road.

October 3, 1986 Bristol BayTimes Page 3

## Annexation, Cont'd from Page 1

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Clarks Points' petition asks that its boundary be extended to include upper Nushagak Bay from Clarks Point to Kakanak and Saguyak Corporation lands on both side of the bay. Officials said Tuesday that they will not reduce the area sought.

Dillingham's original petition asked for the entire Nushagak fishing district, shorelands down the west side of the Bay, and a large expanse of land north and west of the existing city limits including Snake Lake and most of the land between Aleknagik and Dillingham.

City officials agreed to reduce their claims after a pair of meetings with Choggiung, Ltd.'s board last week. The village corporation, the largest landowner in the area, had objected to the extent of the annexation claims, partly because it feared possible future taxation of its undeveloped land.

As revised, the Dillingham annexation petition would extend the existing city boundary one mile to the west and northward for several miles on either side of the Lake Road to about 12 Mile. The state's proposed Wood River land disposal area near Belt Creek would be included, as would the state open-to-entry land to the west of 11 Mile. To the south, the city would abandon its claim to shorelands along the western side of the bay, and would claim only the bay itself to the mean low water mark.

City officials plan to present the reduced boundary as an addendum to its petition at its hearing on October 4.

The public hearings will be held at the Clarks Point School gym at 1:00 p.m. and at the Senior Citizens Center in Dillingham at 7:00 p.m.



Clarks Point City Administrator Sharon Clark responds to a question from Mary Ellen Darling of the Dillingham City Council. Others Clarks Point council members attending Tuesday's annexation meeting included (from left) Manuel Floresta, Mike Walker, Thomas Gardner, Irene Clark, Lori George and (not pictured) Joe Clark.

(9)

Legislative Update

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President Reagan recently signed two bills impacting the fishing industry. H.R. 3674, signed on December 29, renews for two years the Governing International Fisheries Agreement between the U.S. and Japan, and implements Annex V of MARPOL (International Convention for the Prevention of Pollution from Ships) which prohibits the dumping at sea of all garbage within 12 miles of the U.S. shore and the dumping of plastic garbage anywhere in the U.S. 200-mile zone. U.S. vessels are prohibited from dumping plastic even outside 200 miles and ports are required to provide onshore disposal facilities. Additionally, NOAA must identify the damaging effects of plastics on the marine environment and the Environmental Protection Agency must identify landbased sources of plastic pollution and other garbage and recommend methods of reducing them. The bill also reauthorizes the Sea Grant Program for \$45 million in FY1988, \$58 million in FY1989, and \$64 million in FY1990, and creates a grant program to improve marine affairs and resource management curricula at colleges and universities. A Strategic Marine Research Program also is created to concentrate on critical resource and environment areas not currently provided with adequate funding. Finally, the bill implements the Driftnet Fishing Control Act of 1987 which requires the Secretary of Commerce, through the Secretary of State, to negotiate monitoring and enforcement agreements with foreign countries whose fleets fish with high seas driftnets in the North Pacific, and to develop recommendations on a driftnet marking and registration system, a driftnet fishing vessel tracking system, and the use of biodegradable materials in driftnets.

H.R. 2598, the Commercial Fishing Industry Vessel Anti-Reflagging Act of 1987, was signed by the President on January 11, 1988. The bill includes provisions to prohibit foreign-built vessels applying for U.S. documentation after July 28, 1987 to be used for fish processing and places restrictions on foreign ownership and crews aboard U.S. fishing, fish processing and fish tendering vessels engaged in the fisheries in the navigable waters of the U.S.

Bering Sea and Aleutians Groundfish SEIS Work/Scoping Meeting

The National Marine Fisheries Service has determined that a Supplemental Environmental Impact Statement (SEIS) will be required to analyze the effect of raising the upper limit of the optimum yield range for groundfish in the Bering Sea and Aleutian Islands. The SEIS will be prepared by a workgroup composed of scientists from the National Marine Fisheries Service, U.S. Fish and Wildlife Service, Minerals Management Service, and North Pacific Fishery Management Council. A combined working session and National Environmental Policy Act scoping meeting will be held on February 16 in Anchorage and the concerned public is encouraged to attend. Please contact Denby Lloyd at the Council office for further details.

Joint Ventures May Fish Roe-bearing Rock Sole This Year

The Council was asked by the Alaska Factory Trawlers' Association to use permit conditions this year to restrict joint ventures from targeting on roe-bearing rock sole in the Bering Sea before April 1. This is a very valuable fishery for U.S. catcher/processors and the market apparently is limited to around 15,000 mt. Implementing such a permit condition based solely on economic allocation may require a 30-day public comment period which

# ALEUTIANS EAST BOROUGH

SERVING THE COMMUNITIES OF

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

March 14, 1988

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

RE: SB 454

Dear Senator Zharoff:

The City of King Cove supports the adoption of SS ~~HB 314~~ <sup>SB 454</sup>, an act relating to the allocation of fisheries business taxes to municipalities. The bill establishes a concrete program which the State can use to share taxes collected from the offshore processing industry with affected municipalities. King Cove directly benefited from the State's FY 87 pilot program on these taxes, and would like to continue receiving revenues from this source. The City uses the revenues to help pay the increased costs the City incurred to provide additional public services needed to mitigate the negative impacts from offshore fishing industry activities.

The City also advocates adopting a suggested change to use fish management regions, rather than areas, to determine the amount of monies each affected municipality receives. Implementation of the pilot program unearthed gross inequities in impact monies respective communities received when fish management areas were used to determine each municipality's share. The use of management regions should mostly correct this problem and provide a better and fairer system for determining the amount of monies a community will receive for the amount of impact experienced.

The City supports the institutionalization of the fish tax pilot project that will occur through SS ~~HB 314~~ <sup>SB 454</sup>. We hope the bill is adopted and that the legislature also allocates the revenues needed to implement the program for FY 89.

Sincerely,

*Wayne Marshall*      *Robert S. Juettner*      *Lamar Cotten*

Wayne Marshall  
City Manager  
King Cove

Robert S. Juettner  
City Administrator  
Sand Point

Lamar Cotten  
Borough Administrator  
Aleutians East Borough

1007 W. 3rd, Suite 201  
Anchorage, Alaska 99501  
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# CITY OF DILLINGHAM

P.O. Box 889  
Dillingham, Alaska 99576

CITY HALL (907) 842-5211  
FIRE RESCUE (907) 842-2288  
PLANNING (907) 842-5203  
PUBLIC WORKS (907) 842-5148

## POLICY POSITION - - CITY OF DILLINGHAM

Senate Bill 454 and House Bill 314

For the past three legislative sessions, one of the City's top legislative priorities has the issue of sharing raw fish taxes collected from floating processors with local governments impacted by those processing activities.

Perhaps a brief bit of background information on this issue would be helpful in framing the public policy issues surrounding this tax matter. Since Statehood, it has been the policy of the State of Alaska to share raw taxes with incorporated communities in or near the area in which the fishery resource is harvested and processed.

When the raw fish tax statute was originally implemented, the vast majority of fish processing facilities was located onshore. However, with the passage of time, advent of new technology, and changing economics of fishery resource processing, an ever-increasing amount of processing is taking place offshore, outside of municipal government boundaries. The net effect of this trend is that onshore communities which serve as staging areas for the offshore processing bear the brunt of the impacts created by the processing activities. However, the impacted communities do not receive any of the taxes paid to the State by the offshore processing facilities. We believe this is an inequitable situation which must be addressed; passage of S.B. 454 or H.B. 314 would correct this long-standing policy inequity.

Further, as a matter of public policy, we believe that any bill which passes the Legislature must incorporate the following elements:

1. Incorporated governments located on or within ADF&G Commercial Fishing Management Areas which are impacted by a fishery should be eligible for any funds which are distributed under this proposal. In situations in which more than one incorporated community lies within the boundary of an ADF&G management area, funds should be distributed among the eligible communities on a per capita basis, utilizing the annual Certification of Population Report issued by the Department of Community and Regional Affairs as base line data for population counts.

2. There are several distribution methods which could be used to determine how any funds available under this project should be shared. However, we believe the most equitable method is as follows:

- A. Determine the amount of taxes paid to the State by the floating processors

in each commercial fishing management area.

B. On a pro-rata, per capita basis, share the available funds based on the amount of taxes paid by the floating processors in each management area with the eligible communities within each management area.

3. Information regarding the amount of taxes paid by the floating processors to the State should be developed by the Department of Revenue. In addition, eligible local governments should be given an opportunity to provide such information to the Department of Revenue. For example, in the past, the City of Dillingham has developed information in this area by working directly with the floating processors operating near the community.

4. As a condition of sharing in this pool of previously unshared taxes, a participating local government must agree to use these funds to reduce the impacts created by adjacent fisheries on the community.

S.B. 454 and H.B. 314 each addresses these critically important policy criteria, and therefore we support their passage.

In closing, we want to stress that passage of this legislation will accomplish the following public policy objectives:

1. It corrects what appears to be an inequity in current state law which adversely affects local governments which absorb the impacts created by the offshore processors, but receive no financial assistance to cope with those impacts.

2. It discourages a recent trend by local governments to implement "creative alternatives" to capture tax revenues from floating processors, such as creating new governmental entities or annexing bays with boundaries drawn to include areas where floating processors now operate.

3. It holds the promise of giving local governments access to a long-term, stable source of income which will exist after Prudhoe Bay oil revenues have dried up.

5-1978B  
Chenoweth  
3/15/88

Original sponsor: Zharoff

1 IN THE SENATE

BY THE COMMUNITY AND REGIONAL  
AFFAIRS COMMITTEE

2 CS FOR SENATE BILL NO. 454 (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 the allocation of fisheries  
7 business taxes to municipalities by the Department of  
8 Community and Regional Affairs; and providing for an  
9 effective date."

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

11 \* Section 1. FINDINGS. The legislature finds that

12 (1) it has been a longstanding state policy to share fisheries  
13 business taxes with municipal governments in the areas in which the fishery  
14 resources are harvested;

15 (2) these shared taxes constitute an important source of revenue  
16 to municipal governments to mitigate the effects of fish harvesting and  
17 processing activities;

18 (3) there is an impact in communities that experience an in-  
19 crease in population or influx of people;

20 (4) fishing activities such as harvesting and processing create  
21 an influx of population throughout the year in many coastal communities;

22 (5) the state has a vested interest in encouraging communities  
23 to provide adequate services;

24 (6) revenue generated through the sharing of fisheries business  
25 taxes will help many fishing communities to provide adequate services and  
26 to prepare for future damage attributable to fisheries activities.

27 \* Sec. 2. AS 29.60 is amended by adding a new section to read:

28 ARTICLE 6. SHARED FISHERIES BUSINESS TAXES.

29 Sec. 29.60.450. FISHERIES BUSINESS TAX ALLOCATION. (a) A

1 municipality is eligible for a fisheries business tax allocation if  
2 the municipality demonstrates to the department that the municipality  
3 suffered significant negative effects from fisheries business activ-  
4 ities during the base year.

5 (b) Before making a tax allocation under (c) of this section, a  
6 portion of the tax revenue available under AS 43.75.130(g) for allo-  
7 cation under this section shall be apportioned by the department to  
8 each management region. The apportionment must be based on the ratio  
9 of the weight of the fish and shellfish processed by floating fisher-  
10 ies businesses within the management region to the total weight of the  
11 fish and shellfish processed by floating fisheries businesses in all  
12 management regions.

13 (c) The tax allocation to an eligible municipality is the sum of

14 (1) the result of dividing the number of the management  
15 region's eligible municipalities for the tax allocation year into  
16 one-half of the tax revenue apportioned to the management region under  
17 (b) of this section for the tax allocation year; and

18 (2) the result of multiplying the municipality's population  
19 ratio by the other one-half of the tax revenue apportioned to the  
20 management region under (b) of this section for the tax allocation  
21 year.

22 (d) A municipality that receives a tax allocation under this  
23 section shall use the tax allocation to help reduce the effect of  
24 fisheries business activities on the municipality and may thereafter  
25 use the tax allocation for the expenses of any municipal service.

26 (e) At the request of the department, an applicant or a re-  
27 cipient of a tax allocation shall provide the department with the  
28 assistance and information available to the municipality that is  
29 necessary for the department to carry out the department's duties

1 under this section relating to the municipality.

2 (f) The department

3 (1) may designate management regions by regulation; the  
4 management regions must be based on the management areas used by the  
5 Board of Fisheries by regulation adopted under AS 16.05.251(a)(2) for  
6 the management of the commercial fisheries of the state;

7 (2) may adopt other regulations necessary to carry out the  
8 provisions of this section.

9 (g) In this section

10 (1) "base year" means the calendar year that precedes the  
11 application deadline for the tax allocation year;

12 (2) "effect" means the change attributable to fisheries  
13 business activities on the municipality's

14 (A) population;

15 (B) employment;

16 (C) finances;

17 (D) air and water quality;

18 (E) fish and wildlife habitats; and

19 (F) ability to provide essential public services,  
20 including health care, public safety, education, transportation,  
21 utilities, and government administration;

22 (3) "fisheries business activity" means activity related to  
23 processing fisheries resources for sale by freezing, cooking, salting,  
24 or other method and includes but is not limited to canneries, cold  
25 storages, freezer ships, and processing plants;

26 (4) "management region" means one of the units designated  
27 by the department by regulation adopted under AS 29.60.450(f)(1);

28 (5) "population" means the population determined under  
29 AS 29.60.020;

1 (6) "population ratio" means the base year population of  
2 the municipality divided by the population of the management region;

3 (7) "tax allocation year" means the fiscal year for which  
4 the department makes the tax allocation.

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

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

16 \* Sec. 4. INTERIM FISHERY MANAGEMENT REGIONS. Notwithstanding AS 29.-  
17 60.450(f)(1) and 29.60.450(g)(4) added by sec. 2 of this Act, until altered  
18 or amended by the Department of Community and Regional Affairs by regu-  
19 lation, each of the following constitutes a fishery management region for  
20 purposes of administration of AS 29.60.450:

21 (1) Region I, including all water between the longitude of Cape  
22 Suckling and Dixon Entrance;

23 (2) Region II, including all water west of the longitude of Cape  
24 Suckling and north of the latitude of Cape Douglas;

25 (3) Region III, including all water north of the latitude of  
26 Cape Newenham, and the water surrounding Nunivak, St. Lawrence, and St.  
27 Matthew Islands; and

28 (4) Region IV, including all water south of the latitude of Cape  
29 Douglas, west to Unimak Pass, and north to the latitude of Cape Newenham,

1 and the water surrounding the Kodiak, Aleutian, and Pribilof Islands.

2 \* Sec. 5. This Act takes effect July 1, 1984.  
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**CHAPTER 75.  
FISHERIES BUSINESS TAX**

**Article**

1. Tax on Fisheries Business  
(15 AAC 75.010–15 AAC 75.050)
2. Tax Imposed on Acquisition of Fisheries Resources (15 AAC 75.100)
3. General Provisions  
(15 AAC 75.200–15 AAC 75.300)

**ARTICLE 1.  
TAX ON FISHERIES BUSINESS**

**Section**

10. Information on return
20. Extension of time for filing returns
30. Liability for tax
35. Exclusion from fisheries business tax
40. Statement of value; records
50. Statement to be provided by custom processors

**15 AAC 75.010. INFORMATION ON RETURN.** A person subject to the fisheries business tax shall file a separate return no later than March 31 after the close of the calendar year for each business location, using the forms provided by the Department of Revenue, stating the following in the places prescribed on the form:

- (1) name of the taxpayer;
- (2) mailing address;
- (3) federal employer identification number (EIN) or social security number (SSN);
- (4) fisheries business license number;
- (5) year for which tax return is reporting;
- (6) location of operation;
- (7) value of fisheries resources processed during the license year, by category of fisheries business, pounds, price per pound, and by species;
- (8) names of developing commercial fish species processed during the year;
- (9) name of fisheries business which first actually and physically processed the fisheries

resources or which sold or processed the fisheries resources outside the taxing jurisdiction of Alaska;

(10) for a fisheries business which operates from a floating vessel, the name of the vessel, the date of arrival of the vessel in Alaska, subsequent movement of the vessel from one location to another, the reason for the movement of the vessel, and the date of departure of the vessel from Alaska for any reason; and

(11) other information required by the department on the tax return form. (Eff. 9/9/81, Reg. 79)

Authority: AS 43.05.080  
AS 43.75.030(a)

**15 AAC 75.020. EXTENSION OF TIME FOR FILING RETURNS.** (a) Upon a showing of good cause, the department will, in its discretion, grant a reasonable extension of time, not to exceed 180 days in the aggregate, for filing a return or report required by AS 43.75. An extension of time for filing a return or report does not extend the time for the payment of the tax or part of the tax.

(b) The application for an extension of time for filing the return or report must be in writing and addressed to the Department of Revenue and must contain a full statement of the causes for the delay. It must be filed no later than 15 calendar days before the date the return is due.

(c) If an extension of time for filing the return or report is granted, the return must be filed before the expiration of the period of extension.

(d) If an application for extension is denied, the return or report must be filed within 10 calendar days after the date the notice of denial is mailed by the department or 10 calendar days after the due date, whichever is later. (Eff. 9/9/81, Reg. 79)

Authority: AS 43.05.080  
AS 43.75.030(c)

**15 AAC 75.030. LIABILITY FOR TAX.** (a) The person engaging in a fisheries business who first actually and physically processes a fisheries resource is liable for and shall pay to the department the entire tax imposed under AS 43.75.015. If two or more persons perform

separate steps in the processing of the same fisheries resource, the first person who performs a processing step is liable for and shall pay the tax. This section applies to the period June 1, 1979 through December 31, 1980.

(b) For periods after December 31, 1980, the person engaging in a fisheries business who first actually and physically processes a fisheries resource or who has a fisheries resource processed by a fisheries business inside the state, or the person who purchases a fisheries 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 under AS 43.75.015. In determining the tax liability, the person who first actually and physically processed a fisheries resource may deduct from the value of the fisheries resource processed the value of a fisheries resource processed for another fisheries business. If a person custom processes a fisheries resource for another fisheries business, the custom processor is not liable for the tax, but if he custom processes for someone other than another fisheries business, the custom processor must pay the tax. (Eff. 9/9/81, Reg. 79; am 9/18/81, Reg. 80)

Authority: AS 43.05.080  
AS 43.75.015(c)

**15 AAC 75.035. EXCLUSION FROM FISHERIES BUSINESS TAX.** For a fisheries resource processed after December 31, 1980, a person is not liable for the fisheries business tax under AS 43.75.015 if that person meets the requirements of AS 43.75.017 and if the person claiming the exclusion is the commercial fisherman who caught the fisheries resource. (Eff. 9/18/81, Reg. 80)

Authority: AS 43.05.080  
AS 43.75.017

**15 AAC 75.040. STATEMENT OF VALUE; RECORDS.** (a) For periods before January 1, 1981, the department will, in its discretion, require a person contracting with a custom processor for fisheries resource processing to furnish the custom processor or the department with a statement of value for the resource processed by the custom processor. The statement of value must report the species of fisheries resources processed, the total pounds of each species, and the actual value by species, as

determined in accordance with AS 43.75.140(7) and 15 AAC 75.300(6).

(b) The custom processor is liable for an additional tax assessment, if any, unless the custom processor obtains from the owner of the fisheries resource an assumption of liability for an incorrect statement of value and the owner pays any additional tax assessed resulting from the incorrect statement of value.

(c) For periods after December 31, 1980, the department will, in its discretion, require a person, other than a fisheries business, who contracts with a custom processor for fisheries resource processing to furnish the custom processor or the department with a statement of value for the resource processed by the custom processor. The statement of value must report the species of fisheries resources processed, the total pounds of each species, and the actual value by species, as determined in accordance with AS 43.75.140(7) and 15 AAC 75.300(6).

(d) The custom processor who processes a fisheries resource for a non-fisheries business is liable for an additional tax assessment, if any, unless the custom processor obtains from the owner of the fisheries resource an assumption of liability for an incorrect statement of value and the owner pays any additional tax assessed resulting from the incorrect statement of value.

(e) The records of the owner of the fisheries resource shall be open to audit for purposes of verifying the values reported under (a) and (c) of this section. The owner's records shall be subject to the same statute of limitations as the records of a fisheries business. (Eff. 9/9/81, Reg. 79; am 9/18/81, Reg. 80; am 1/16/82, Reg. 81)

Authority: AS 43.05.080  
AS 43.75.015  
AS 43.75.140

**15 AAC 75.050. STATEMENT TO BE PROVIDED BY CUSTOM PROCESSORS.** After December 31, 1980, a person claiming a deduction under 15 AAC 75.030 for a fisheries resource processed for another fisheries business shall include in his return a schedule, using the form provided by the department, which shows the following information:

(1) name, address, and fisheries business license number of each fisheries business for whom processing is done; and

(2) pounds of fisheries resource processed for the fisheries business, by species. (Eff. 9/18/81, Reg. 80)

Authority: AS 43.05.080  
AS 43.75.015(c)

**ARTICLE 2.  
TAX IMPOSED ON ACQUISITION  
OF FISHERIES RESOURCES**

Section  
100. Tax imposed on acquisition of fisheries resources

15 AAC 75.100. **TAX IMPOSED ON ACQUISITION OF FISHERIES RESOURCES.** (a) A person who takes, purchases or otherwise acquires a fisheries resource, and who transports the fisheries resource to a point outside the taxing jurisdiction of the state, before processing the fisheries resource, is subject to the tax in AS 43.75.015. This subsection does not apply to a commercial transportation carrier which performs a transportation service for a person subject to the tax.

(b) A person described in (a) of this section who processes the fisheries resource shall pay the rate of tax which he would pay if the processing took place within the taxing jurisdiction of the state.

(c) A person described in (a) of this section who does not process the fisheries resource shall pay the rate of tax which the fisheries business to which the fisheries resources are sold would pay if the fisheries business were located within the taxing jurisdiction of the state. There is a rebuttable presumption that the fisheries resources were sold to a floating fisheries business.

(d) The tax imposed by this section will be computed on the value of the fisheries resources in accordance with AS 43.75.140(7) and 15 AAC 75.300(3) and (6).

(e) A person described in (a) of this section who does not process the fisheries resource and who sells the fisheries resource outside the taxing jurisdiction of the state to someone other

than a fisheries business is presumed to be liable for the same rate of tax as a floating fisheries business. (Eff. 9/9/81, Reg. 79; am 9/18/81, Reg. 80)

Authority: AS 43.05.080  
AS 43.75.015  
AS 43.75.100

**ARTICLE 3.  
GENERAL PROVISIONS**

|         |                                |
|---------|--------------------------------|
| Section |                                |
| 200.    | (Reserved)                     |
| 210.    | (Reserved)                     |
| 220.    | (Reserved)                     |
| 230.    | (Reserved)                     |
| 240.    | (Reserved)                     |
| 250.    | (Reserved)                     |
| 260.    | (Reserved)                     |
| 270.    | (Reserved)                     |
| 280.    | (Reserved)                     |
| 290.    | Shore-based fisheries business |
| 300.    | Definitions                    |

15 AAC 75.200 – 15 AAC 75.280. Reserved.

15 AAC 75.290. **SHORE-BASED FISHERIES BUSINESS.** A fisheries business operated from a floating vessel is not permanently attached to the land. A fisheries business operated from a floating vessel is a shore-based fisheries business only if it remains anchored in one place and does not move from that anchorage during an entire tax year. A movement of the vessel from the anchorage, for any reason, including dry-dock, repairs, maintenance, or a new processing location, either to another location in the state or to another location outside the state, disqualifies the fisheries business as a shore-based fisheries business. (Eff. 9/9/81, Reg. 79)

Authority: AS 43.05.080  
AS 43.75.015

15 AAC 75.300. **DEFINITIONS.** In AS 43.75 and this chapter

(1) "custom processor" means a fisheries business which does not own the fisheries resources it is processing;

(2) "fisheries resource" means fin fish and shellfish, including but not limited to salmon, halibut, herring, flounder, crab, clam, cod, shrimp, and pollock; fish byproducts, such as

roe, entrails and carcasses, are separate fisheries resources if they are transferred to another person for processing;

(3) "market value" means the prevailing value paid for fisheries resources of like kind and quality by fisheries businesses in the same market area to fishermen who own their vessels.

(4) "processing" means any activity which modifies the physical condition of a fisheries resource, including butchering, freezing, salting, cooking, canning, dehydrating, or smoking; however, "processing" does not include decapitating shrimp and gutting, gilling, sliming, or icing a fisheries resource solely for the purpose of maintaining the quality of the fresh resource;

(5) "processing fisheries resources for sale" means the series of activities which are performed in preparing the fisheries resources for subsequent sale, regardless of whether the processor owns the fisheries resources and regardless of whether the processor is the seller in the subsequent sale of the fisheries resources;

(6) "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, delayed, or advance payment, except that "value" means the market value of the fisheries resource if the fisheries resource is taken 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. (Eff. 9/9/81, Reg. 79; am 9/18/81, Reg. 80)

Authority: AS 43.05.080  
AS 43.75.015  
AS 43.75.140(7)

**CHAPTER 76.  
SALMON ENHANCEMENT TAX**

**Article**

1. Tax Imposition  
(15 AAC 76.010-15 AAC 76.040)
2. Salmon Acquired by Buyers  
(15 AAC 76.100-15 AAC 76.140)
3. General Provisions  
(15 AAC 76.200-15 AAC 76.290)

**ARTICLE 1.  
TAX IMPOSITION**

**Section**

10. Imposition of the tax
20. Monthly report and remittance of tax by limited entry permit holders
30. Records
40. Annual report by limited entry permit holder

**15 AAC 76.010. IMPOSITION OF THE TAX.**

There is imposed on each person who holds a limited entry permit under AS 16.43 a salmon enhancement tax on

(1) the value of all salmon sold or otherwise transferred to a buyer within a region designated under AS 16.10.375 if there exists in that region a qualified regional association which has approved the salmon enhancement tax in accordance with AS 43.76.015; and

(2) the value of all salmon that the permit holder catches within a region for which the salmon enhancement tax has been approved, and that the permit holder either removes from the state, or sells or otherwise transfers in the state but outside a region for which the tax has been approved. (Eff. 4/1/81, Reg. 78; am 8/9/81, Reg. 79; am 7/31/81, Reg. 79; am 3/31/85, Reg. 93)

Authority: AS 43.05.080                      AS 43.76.011  
AS 43.76.010                              AS 43.76.028

**15 AAC 76.020. MONTHLY REPORT AND REMITTANCE OF TAX BY LIMITED ENTRY PERMIT HOLDERS.** (a) A limited entry permit holder who is subject to the salmon enhancement tax under 15 AAC 76.010 shall file a monthly report, except when exempt under (d) of this section, using the form provided by the

department, stating the following in the places provided on the form:

- (1) name of the permit holder;
- (2) limited entry permit number;
- (3) mailing address;
- (4) employer identification number (EIN) or social security number (SSN);
- (5) telephone number;
- (6) total pounds and value of the salmon which the permit holder either removed from the state, or sold or otherwise transferred in the state but outside a region for which the salmon enhancement tax has been approved;
- (7) the region designated under AS 16.10.375 in which the salmon were caught; and
- (8) other information required by the department on the form.

(b) The monthly report required under this section must be submitted to the department, together with all taxes due, not later than the last day of the month following the month in which the salmon were either removed from the state or were sold or otherwise transferred in the state but outside a region for which the salmon enhancement tax has been approved.

(c) The monthly report required under this section must be submitted only for a month in which the permit holder either removed salmon from the state, or sold or otherwise transferred salmon in the state but outside a region for which the salmon enhancement tax has been approved.

(d) A permit holder is not required to file a monthly report, or remit the tax, for salmon that the permit holder sells or otherwise transfers directly to a buyer who is responsible for the collection of the salmon enhancement tax under 15 AAC 76.100. (Eff. 4/1/81, Reg. 78; am 8/9/81, Reg. 79; am 7/31/81, Reg. 79; am 3/31/85, Reg. 93)

Authority: AS 43.05.080                      AS 43.76.011  
AS 43.76.010                              AS 43.76.028

15 AAC 76.030. RECORDS. A permit holder subject to the salmon enhancement tax under 15 AAC 76.010 shall prepare and retain the following records for all salmon subject to the tax and either removed from the state, or sold or otherwise transferred in the state but outside a region for which the salmon enhancement tax has been approved:

(1) Alaska Department of Fish and Game fish tickets for salmon either removed from the state, or sold or otherwise transferred in the state but outside a region for which the salmon enhancement tax has been approved;

(2) a daily journal or other record showing for each transaction the following:

(A) the person to whom the salmon were sold or otherwise transferred either in the state or upon removal from the state;

(B) pounds and value by species of the salmon; and

(C) the region designated under AS 16.10.375 in which the salmon were caught. (Eff. 4/1/81, Reg. 78; am 8/9/81, Reg. 79; am 7/31/81, Reg. 79; am 3/31/85, Reg. 93)  
Authority: AS 43.05.080 AS 43.76.011  
AS 43.76.010 AS 43.76.028

15 AAC 76.040. ANNUAL REPORT BY LIMITED ENTRY PERMIT HOLDER. (a) A permit holder who is required to file a monthly salmon enhancement tax report during a calendar year under 15 AAC 76.020 must file an annual information report, using the form provided by the department, stating the following in the places provided on the form:

(1) name of the permit holder;

(2) limited entry permit number;

(3) mailing address;

(4) employer identification number (EIN) or social security number (SSN);

(5) telephone number;

(6) each region designated under AS 16.10.375 in which salmon were caught and sub-

sequently either removed from the state, or sold or otherwise transferred in the state but outside a region for which the tax has been approved;

(7) total pounds and value of the salmon caught in each region reported under (6) of this subsection, and subsequently removed from the state; and

(8) other information required by the department on the form.

(b) The annual report is due by March 1 of the year following the year in which salmon subject to tax were either removed from the state, or were sold or otherwise transferred in the state but outside a region for which the tax has been approved. The report must be accompanied by any remittance shown to be due upon reconciliation of the monthly reports. (Eff. 4/1/81, Reg. 78; am 8/9/81, Reg. 79; am 7/31/81, Reg. 79; am 3/31/85, Reg. 93)

Authority: AS 43.05.080 AS 43.76.011  
AS 43.76.010 AS 43.76.028

ARTICLE 2.  
SALMON ACQUIRED BY BUYERS

- Section
- 100. Collection of tax
- 110. Monthly report and remittance of tax by buyers
- 120. Records
- 130. Annual report by buyers
- 140. Reporting of bonus or other additional payments

15 AAC 76.100. COLLECTION OF TAX. The salmon enhancement tax is to be collected by the buyer for every salmon acquired within a region designated under AS 16.10.375 which has approved the imposition of a salmon enhancement tax, from a person holding a limited entry permit under AS 16.43, regardless of whether the salmon was taken in a company-owned or company-subsidized boat operated by employees or agents of the buyer responsible for the collection of the salmon enhancement tax, or in a boat which is operated under lease or other arrangement by the buyer. (Eff. 4/1/81, Reg. 78; am 8/9/81, Reg. 79; am 7/31/81, Reg. 79; am 3/31/85, Reg. 93)

Authority: AS 43.05.080 AS 43.76.011  
AS 43.76.010 AS 43.76.025

**15 AAC 76.110. MONTHLY REPORT AND REMITTANCE OF TAX BY BUYERS.** (a) A buyer responsible for the collection of the salmon enhancement tax under 15 AAC 76.100 shall file a monthly report using the form provided by the department, stating the following in the places provided on the form:

- (1) name of the buyer;
- (2) mailing address;
- (3) employer identification number (EIN) or social security number (SSN);
- (4) telephone number;
- (5) location of operation or name of vessel;
- (6) fisheries business license number or Alaska business license number;
- (7) the region designated under AS 16.10.375 in which the buyer is located;
- (8) total pounds and value of the salmon, by region, which the buyer has purchased or otherwise acquired during the preceding month; and
- (9) other information required by the department on the form.

(b) The monthly report required under this section must be submitted to the department, together with all taxes required to be collected, not later than the last day of the month following the month in which the tax was collected.

(c) A monthly report is required only for a month in which the buyer purchased or otherwise acquired salmon. (Eff. 4/1/81, Reg. 78; am 8/9/81, Reg. 79; am 7/31/81, Reg. 79; am 3/31/85, Reg. 93)

Authority: AS 43.05.080  
AS 43.76.025

**15 AAC 76.120. RECORDS.** A buyer responsible for the collection of the salmon enhancement tax shall prepare and retain the following records:

- (1) Alaska Department of Fish and Game fish tickets salmon purchased or otherwise acquired;

(2) a daily journal or other record showing for each transaction the following:

(A) the permit holder from whom the salmon was acquired;

(B) the limited entry permit number of the permit holder named under (A) of this paragraph;

(C) the pounds and value, by species, of the salmon purchased or otherwise acquired;

(D) the amount of salmon enhancement tax collected; and

(E) the region designated under AS 16.10.375 in which the salmon were caught. (Eff. 4/1/81, Reg. 78; am 8/9/81, Reg. 79; am 7/31/81, Reg. 79; am 3/31/85, Reg. 93)

Authority: AS 43.05.080  
AS 43.76.025

**15 AAC 76.130. ANNUAL REPORT BY BUYERS.** (a) A buyer responsible for the collection of the salmon enhancement tax under 15 AAC 76.100 shall file an annual information report, using the form provided by the department, stating the following in the places provided on the form:

- (1) name of the buyer;
- (2) mailing address;
- (3) employer identification number (EIN) or social security number (SSN);
- (4) telephone number;
- (5) location of operation or name of vessel;
- (6) fisheries business license number or Alaska business license number;
- (7) the region designated under AS 16.10.375 in which the buyer is located;
- (8) total pounds and value of the salmon caught in each region designated under AS 16.10.375, or other location, which the buyer has purchased or otherwise acquired during the preceding calendar year;

(9) total value of the salmon purchased or acquired in each region designated under AS 16.10.375, or other location, which the buyer has purchased or otherwise acquired during the preceding calendar year, reconciled with the amounts reported on the monthly reports; and

(10) other information required by the department on the form.

(b) A buyer who files an annual report under (a) of this section shall attach a schedule to the report showing, for all salmon purchased or otherwise acquired, the following:

(1) limited entry permit numbers under which the salmon were caught;

(2) names of permit holders;

(3) total value of salmon purchased or otherwise acquired with respect to each limited entry permit number reported; and

(4) total tax collected for salmon purchased or otherwise acquired with respect to each limited entry permit number reported.

(c) The annual report is due by March 1 of the year following the calendar year in which the salmon were purchased or otherwise acquired and must be accompanied by any remittance shown to be due upon reconciliation of the monthly reports. (Eff. 4/1/81, Reg. 78; am 8/9/81, Reg. 79; am 7/31/81, Reg. 79; am 3/31/85, Reg. 93)

Authority: AS 43.05.080  
AS 43.76.025

15 AAC 76.140. REPORTING OF BONUS OR OTHER ADDITIONAL PAYMENTS. (a) A buyer making bonus or other additional payments to a limited entry permit holder for salmon purchased or otherwise acquired in a previous calendar year shall collect the tax and file a special salmon enhancement tax report of the additional payments made. The buyer responsible for collection of the tax shall file the report on a form prescribed by the department, stating the following:

(1) name of buyer;

(2) mailing address;

(3) employer identification number (EIN) or social security number (SSN);

(4) telephone number;

(5) location of operation or name of vessel;

(6) fisheries business license number or Alaska business license number;

(7) the region designated under AS 16.10.375 in which the buyer is located;

(8) year in which the salmon were initially purchased or otherwise acquired; and

(9) additional value paid, by species, for the salmon acquired in a previous year.

(b) The salmon enhancement tax report of bonus or other additional payments must be filed and the tax paid no later than the last day of the month following the month in which the additional payment was made. (Eff. 3/31/85, Reg. 93)

Authority: AS 43.05.080  
AS 43.76.025

ARTICLE 3.  
GENERAL PROVISIONS

Section

- 200. (Reserved)
- 210. (Reserved)
- 220. (Reserved)
- 230. (Reserved)
- 240. (Reserved)
- 250. (Reserved)
- 260. (Reserved)
- 270. (Reserved)
- 280. (Reserved)
- 290. Definitions

15 AAC 76.200 – 15 AAC 76.280. (Reserved)

15 AAC 76.290. DEFINITIONS. In this chapter

(1) "buyer" means a person who purchases or otherwise acquires salmon from a limited entry permit holder, and includes a person required to obtain a license under AS 43.75.011, but does not include a person acquiring salmon for personal consumption or a tender acquiring

salmon on behalf of a person required to obtain a license under AS 43.75.011;

(2) "permit" means an entry permit issued under AS 16.43.270 and an interim-use permit issued under AS 16.43.210;

(3) "person" means an individual, partnership, association, company, corporation, or any group or combination acting as a unit;

(4) "region" means a region of the state designated by the commissioner of fish and game under AS 16.10.375 for the purpose of salmon production, in which there exists a regional association organized for the purpose of enhancing salmon production and licensed to do so by the commissioner of fish and game, and in which an election has been held to approve the imposition of the salmon enhancement tax. (Eff. 7/31/81, Reg. 79; am 3/31/85, Reg. 93)

Authority: AS 43.05.080                      AS 43.76.025  
                   AS 43.76.010                      AS 43.76.028  
                   AS 43.76.011                      AS 43.76.040  
                   AS 43.76.015

## CHAPTER 80. SALMON PRICES

### Section

#### 10. Report of average wholesale salmon prices

**15 AAC 80.010. REPORT OF AVERAGE WHOLESALE SALMON PRICES.** (a) If, during a particular calendar year, the department does not receive a joint request as described in AS 43.80.035(d) for an average wholesale salmon price report, no report will be prepared for that calendar year. If the department does receive a joint request during a calendar year, a report will be prepared for that year on the salmon species for which a report is requested.

(b) If a joint request is not received during a calendar year but is received on or before February 15 of the following year, the department will approve the request if reasonable cause is shown for the delay.

(c) If no joint request is received under (a) of this section and no joint request is approved under (b) of this section for a report on a salmon species, then no report will be prepared for that salmon species in any subsequent year.

(d) If a joint request is received under (a) of this section or approved under (b) of this section, the department will mail a wholesale salmon price information form to each salmon cannery which operated in the state. It will mail the form by January 5 of the year following the year for which the report is requested or within five days after the approval of a request under (b) of this section.

(e) Each cannery shall complete the information form and return it to the department by February 10 or, upon the approval of a request under (b) of this section, within 30 days of the date of mailing the form under (d) of this section.

(f) If a cannery does not return a completed information form to the department by April 1 following the year for which a report is requested under (a) of this section, or within 60 days of the approval of a request under (b) of this section, the person required to file the report shall pay a civil penalty of \$5,000 unless

it is demonstrated to the department that the failure to file was due to a reasonable cause and not to willful neglect. (Eff. 4/8/82, Reg. 82; am 8/1/82, Reg. 83)

Authority: AS 43.05.080  
AS 43.80.035

# FISHERIES BUSINESS TAX CREDIT

(INVESTMENTS APPROVED AS OF 11/24/87)

|  |                  | # APPLICAT. |
|--|------------------|-------------|
| SOUTHCENTRAL AK                              | \$ 2,021,379     | 10          |
| SOUTHEAST AK                                 | 7,018,919        | 28          |
| SOUTHWEST AK                                 | 29,750,294       | 6           |
| BRISTOL BAY AREA                             | 1,108,245        | 9           |
| KODIAK ISLAND AREA                           | 8,935,423        | 14          |
| PRINCE WILLIAM SOUND                         | 2,677,687        | 8           |
| OTHER (LOCATIONS NOT IDENTIFIED)             | <u>2,091,994</u> | <u>1</u>    |
| TOTAL (CAPITAL INVESTMENT APPROVED 11/24/87) | \$ 53,603,941    | 76          |

(9 APPLICATIONS FOR \$3,312,239 DENIED FOR VARIOUS REASONS)

- 50% of CAPITAL INVESTMENT CAN BE CREDITED AGAINST 50% of TAX LIABILITY
  - CAN BE CARRIED OVER TO SUBSEQUENT YEARS UP TO BE 3 YRS.
  - MUNICIPALITIES CAN CREDIT 25% OF CAPITAL INVESTMENT AGAINST THEIR SHARE OF TAX
  - PROGRAM IS AVAILABLE FROM JULY 1, 1986 UNTIL DEC 31, 1989.
  - A CREDIT GRANTED IN 1989 CAN BE APPLIED FOR THREE YEARS TO TAX LIABILITY.
- TAX NOW PRODUCES ABOUT \$40 MILL PER YEAR.

15 AAC 75.090. LIMITATION ON CREDIT. (a) If a taxpayer is operating both shore-based and floating fish processor facilities in the same tax year that eligible capital expenditures are made, the total credit that may be claimed in that tax year may not exceed 50 percent of the taxpayer's combined fisheries business tax liability incurred at all of the taxpayer's fish processing facilities. However, in no event may the fisheries business tax credit generated at a processing facility in one tax year be applied to the fisheries business tax liability incurred at another processing facility in a subsequent year if the other facility was not owned by the taxpayer in the tax year the capital expenditure was made. The following are illustrative examples:

(1) Company F solely owns and operates a shore-based processing facility in Alaska and a floating freezership. In 1987, the company spent \$1 million in adding new refrigeration equipment and capacity to its shore-based plant. The company's 1987 fisheries business tax liability at its shore-based plant is \$200,000 and at its floating facility is \$50,000. The 1987 fish tax credit is limited to \$125,000, one-half of the combined

liabilities of both facilities. The remaining \$375,000 credit is available to offset taxes incurred in tax year 1988.

(2) Assume the same facts as in (1), except that in 1988 Company F acquires a second floating freezership and makes no additional eligible capital expenditures to its shore-based facility. For tax year 1988, the new company has a fish tax liability at its shore-based facility of \$200,000, at the original floating facility of \$50,000 and at the acquired facility of \$150,000. The 1988 fisheries business tax credit is again limited to \$125,000. The unused credit cannot be used to offset fisheries business tax incurred at the new facility which was not owned in the year the capital expenditure was made.

(b) A fisheries business tax credit will not be approved if the fisheries business has any arrears or outstanding liability to the state under AS 43.75 which could result in a lien under AS 43.10.035(a), irrespective whether the arrears or outstanding liability arose out of the business activity of the facility for which the expenditure was made. An amount properly and timely disputed under the provisions of AS 43.05.240 shall not constitute an amount in arrears or an outstanding liability.

AS 43.75.032. FISHERIES BUSINESS TAX CREDITS. (a) A fisheries business is entitled to a credit of not more than 50 percent of the business tax liability under AS 43.75.015 for capital expenditures made during the tax year that (1) increase product diversity, or production efficiency and capacity, or improve product quality, at a shore-based fisheries business facility in the state, or (2) contribute to the development of a cooperative seafood industrial park in the state, if an application for credit is approved by the department in advance of the capital expenditure. A fisheries business may claim a credit under this subsection for a maximum period of three consecutive years. An applicant for the credit may elect to begin the three-year period with any tax year from 1987 through 1989. A tax credit under this subsection may not be approved for more than 50 percent of a capital expenditure, plus any increase required under (b) of this section.

(b) The amount of a credit under (a) of this section for a capital expenditure involving a shore-based fisheries business facility or cooperative seafood industrial park located or to be located in a municipality shall be increased by the amount by which the municipality's fisheries business tax refund is reduced under AS 43.75.130(c). The total amount of a credit increase under this subsection during a three-year period may not exceed 25 percent of the amount of the capital expenditure.

(c) The portion of a capital expenditure that is eligible for a credit under this section but is not claimed during a single tax year may not be carried back to a prior tax year but is available for the computation as a credit under this section for a subsequent tax year within the three-year period elected under (a) of this section.

(d) Within 10 days after submitting an application for a credit under (a) of this section the applicant shall send a copy of the application to the municipality, if any, in which the shore-based fisheries business facility or cooperative seafood industrial park for which the expenditure is to be made is located or is to be located.

(e) A fisheries business is entitled to a credit of not more than five percent of the business tax liability under AS 43.75.015 for contributions made during the tax year to the A.W. "Winn" Brindle memorial scholarship account (AS 14.43.250). A fisheries business may claim a credit under this subsection for the 1987 tax year and subsequent tax years. A tax credit under this subsection may not be approved for more than 100 percent of a scholarship contribution.

(f) The total tax credits that may be claimed under this section for a tax year for capital expenditures and scholarship contributions combined may not exceed 50 percent of the taxpayer's business tax liability under AS 43.75.015 for that tax year.

(g) The department may not approve a tax credit under this section if

(1) the property for which the capital expenditure was made was the subject of a previous capital expenditure by another taxpayer for whom a corresponding tax credit under this section has been approved;

(2) the property for which the capital expenditure was made was sold or transferred between fisheries businesses having substantial common ownership; or

(3) the fisheries business claiming the credit is in arrears in the payment of a fisheries business tax under AS 43.75.015; for purposes of this paragraph, a taxpayer is not in arrears if the payment is under administrative or judicial appeal.

(h) The department shall prepare an application form for a credit under this section.

(i) The department shall approve or disapprove an application for a credit under this section not later than 60 days after receiving the application.

(j) In this section

(1) "cooperative" has the meaning given in AS 10.15.595.

(2) "seafood industrial park" means a seafood processing center with facilities to land, handle, and process or to ship or transship to any location all marketable species of seafood; a seafood industrial park may contain commercial facilities to support the activities of the park, and the labor force and vessels that operate at or from the park;

AS 43.75.140(9) "capital expenditures" includes the price paid for equipment and the cost of improvements made to depreciable property, but does not include expenditures that are deducted entirely for federal income tax purposes in the year in which they accrued or were paid; in this paragraph, "equipment" and "depreciable property" have the meaning given in regulations adopted by the commissioner of commerce and economic development;

(10) "product diversity" means the processing of nontraditional fish or other seafood species or products;

(11) "product quality" means the handling of fish or other seafood species or products in order to increase product sales or value.

## FISHERIES BUSINESS TAX (REVENUES)

|                      | FY80<br>(MILLIONS) | FY81 | FY82 | FY83 | FY84 | FY85 | FY86 | FY87   | FY88<br>Projected |
|----------------------|--------------------|------|------|------|------|------|------|--------|-------------------|
| CANNED SALMON<br>4½% | 4.3                | 5.9  | 8.6  | 4.3  | 5.5  | 5.6  | 3.5  | } 17.5 | } 6.0'            |
| SHORE BASED<br>3%    | 7.6                | 11.0 | 8.7  | 11.5 | 7.1  | 8.3  | 10.1 |        |                   |
| FLOATING<br>5%       | 2.7                | 3.8  | 5.5  | 4.7  | 6.4  | 4.8  | 7.5  | 9.0    | 9.8               |
| TOTAL                | 14.6               | 20.7 | 22.8 | 20.5 | 19.0 | 18.7 | 21.1 | 26.5   | 15.8              |

Source: AK DEPT OF REVENUE. (12-3-87)

1) EFFECTS OF TAX CREDIT - DEPT OF REVENUE ESTIMATES THAT TOTAL FISHERIES BUSINESS TAX WOULD HAVE BEEN \$30 MILLION BUT WAS REDUCED \$14.2 MILLION BECAUSE OF TAX CREDIT.

## FISHERIES BUSINESS TAX (REVENUES)

|                      | FY80<br>(MILLIONS) | FY81 | FY82 | FY83 | FY84 | FY85 | FY86 | FY87   | FY88<br>(Projected) |
|----------------------|--------------------|------|------|------|------|------|------|--------|---------------------|
| CANNED SALMON<br>4½% | 4.3                | 5.9  | 8.6  | 4.3  | 5.5  | 5.6  | 3.5  | } 17.5 | } 6.0               |
| SHORE BASED<br>3%    | 7.6                | 11.0 | 8.7  | 11.5 | 7.1  | 8.3  | 10.1 |        |                     |
| FLOATING<br>5%       | 2.7                | 3.8  | 5.5  | 4.7  | 6.4  | 4.8  | 7.5  | 9.0    | 9.8                 |
| TOTAL                | 14.6               | 20.7 | 22.8 | 20.5 | 19.0 | 18.7 | 21.1 | 26.5   | 15.8                |

SOURCE: AK DEPT OF REVENUE. (12-3-87)

1) EFFECTS OF TAX CREDIT - DEPT OF REVENUE ESTIMATES THAT TOTAL FISHERIES BUSINESS TAX WOULD HAVE BEEN \$30 MILLION BUT WAS REDUCED \$14.2 MILLION BECAUSE OF TAX CREDIT.





# FISHERIES TAX CREDITS

INVESTMENTS APPROVED AS OF 11/24/85

#

|        |            |
|--------|------------|
| S.E.   | 7,018,919  |
| S.W.   | 29,750,294 |
| S.C.   | 2,021,379  |
| B.B.   | 1,108,245  |
| KOD    | 8,935,423  |
| P.W.S. | 2,677,687  |
| OTHER  | 2,091,994  |

3yr program.

TOTAL 53,603,941 =  $\frac{76}{85}$  APPLICATIONS  
 3,312,339 =  $\frac{9}{85}$  DENIED

|       |            |
|-------|------------|
| AK-HQ | 7,090      |
| WA-HQ | 46,504,239 |
| TOTAL | 53,603,941 |

50% STATE  
 25% MUNI

AS 43.75.032. FISHERIES BUSINESS TAX CREDITS. (a) A fisheries business is entitled to a credit of not more than 50 percent of the business tax liability under AS 43.75.015 for capital expenditures made during the tax year that (1) increase product diversity, or production efficiency and capacity, or improve product quality, at a shore-based fisheries business facility in the state, or (2) contribute to the development of a cooperative seafood industrial park in the state, if an application for credit is approved by the department in advance of the capital expenditure. A fisheries business may claim a credit under this subsection for a maximum period of three consecutive years. An applicant for the credit may elect to begin the three-year period with any tax year from 1987 through 1989. A tax credit under this subsection may not be approved for more than 50 percent of a capital expenditure, plus any increase required under (b) of this section.

(b) The amount of a credit under (a) of this section for a capital expenditure involving a shore-based fisheries business facility or cooperative seafood industrial park located or to be located in a municipality shall be increased by the amount by which the municipality's fisheries business tax refund is reduced under AS 43.75.130(c). The total amount of a credit increase under this subsection during a three-year period may not exceed 25 percent of the amount of the capital expenditure.

(c) The portion of a capital expenditure that is eligible for a credit under this section but is not claimed during a single tax year may not be carried back to a prior tax year but is available for the computation as a credit under this section for a subsequent tax year within the three-year period elected under (a) of this section.

(d) Within 10 days after submitting an application for a credit under (a) of this section the applicant shall send a copy of the application to the municipality, if any, in which the shore-based fisheries business facility or cooperative seafood industrial park for which the expenditure is to be made is located or is to be located.

(e) A fisheries business is entitled to a credit of not more than five percent of the business tax liability under AS 43.75.015 for contributions made during the tax year to the A.W. "Winn" Brindle memorial scholarship account (AS 14.43.250). A fisheries business may claim a credit under this subsection for the 1987 tax year and subsequent tax years. A tax credit under this subsection may not be approved for more than 100 percent of a scholarship contribution.

(f) The total tax credits that may be claimed under this section for a tax year for capital expenditures and scholarship contributions combined may not exceed 50 percent of the taxpayer's business tax liability under AS 43.75.015 for that tax year.

(g) The department may not approve a tax credit under this section if

(1) the property for which the capital expenditure was made was the subject of a previous capital expenditure by another taxpayer for whom a corresponding tax credit under this section has been approved;

(2) the property for which the capital expenditure was made was sold or transferred between fisheries businesses having substantial common ownership; or

(3) the fisheries business claiming the credit is in arrears in the payment of a fisheries business tax under AS 43.75.015; for purposes of this paragraph, a taxpayer is not in arrears if the payment is under administrative or judicial appeal.

(h) The department shall prepare an application form for a credit under this section.

(i) The department shall approve or disapprove an application for a credit under this section not later than 60 days after receiving the application.

(j) In this section

(1) "cooperative" has the meaning given in AS 10.15.595.

(2) "seafood industrial park" means a seafood processing center with facilities to land, handle, and process or to ship or transship to any location all marketable species of seafood; a seafood industrial park may contain commercial facilities to support the activities of the park, and the labor force and vessels that operate at or from the park;

AS 43.75.140(9) "capital expenditures" includes the price paid for equipment and the cost of improvements made to depreciable property, but does not include expenditures that are deducted entirely for federal income tax purposes in the year in which they accrued or were paid; in this paragraph, "equipment" and "depreciable property" have the meaning given in regulations adopted by the commissioner of commerce and economic development;

(10) "product diversity" means the processing of nontraditional fish or other seafood species or products;

(11) "product quality" means the handling of fish or other seafood species or products in order to increase product sales or value.

CHAPTER 75.

FISHERIES BUSINESS TAX

Article

1. Tax on Fisheries Business  
(15 AAC 75.010 -- 15 AAC 75.090)
2. Tax Imposed on Acquisition of Fisheries Resources (15 AAC 75.100)
3. General Provisions  
(15 AAC 75.200 -- 15 AAC 75.300)

ARTICLE 1.

TAX OF FISHERIES BUSINESS

Section

10. Information on return
20. Extension of time for filing returns
30. Liability for tax
35. Exclusion from fisheries business tax
40. Statement of value; records
50. Statement to be provided by custom processors
60. Expenditures eligible for tax credit
70. Application for fisheries business tax credit
80. Placed in service rule
90. Limitation on credit

15 AAC 75 is amended by adding the following sections to read:

15 AAC 75.070. APPLICATION FOR FISHERIES BUSINESS TAX CREDIT. (a) To qualify for the Fisheries Business Tax Credit for eligible expenditures, as defined in 15 AAC 75.060, made between July 1, 1986 and December 31, 1989, a fisheries business must apply for the credit in advance of the capital

# **CORRECTION**

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

AS 43.75.032. FISHERIES BUSINESS TAX CREDITS. (a) A fisheries business is entitled to a credit of not more than 50 percent of the business tax liability under AS 43.75.015 for capital expenditures made during the tax year that (1) increase product diversity, or production efficiency and capacity, or improve product quality, at a shore-based fisheries business facility in the state, or (2) contribute to the development of a cooperative seafood industrial park in the state, if an application for credit is approved by the department in advance of the capital expenditure. A fisheries business may claim a credit under this subsection for a maximum period of three consecutive years. An applicant for the credit may elect to begin the three-year period with any tax year from 1987 through 1989. A tax credit under this subsection may not be approved for more than 50 percent of a capital expenditure, plus any increase required under (b) of this section.

(b) The amount of a credit under (a) of this section for a capital expenditure involving a shore-based fisheries business facility or cooperative seafood industrial park located or to be located in a municipality shall be increased by the amount by which the municipality's fisheries business tax refund is reduced under AS 43.75.130(c). The total amount of a credit increase under this subsection during a three-year period may not exceed 25 percent of the amount of the capital expenditure.

(c) The portion of a capital expenditure that is eligible for a credit under this section but is not claimed during a single tax year may not be carried back to a prior tax year but is available for the computation as a credit under this section in a subsequent tax year within the three-year period elected under (a) of this section.

(d) Within 10 days after submitting an application for a credit under (a) of this section the applicant shall send a copy of the application to the municipality, if any, in which the shore-based fisheries business facility or cooperative seafood industrial park for which the expenditure is to be made is located or is to be located.

(e) A fisheries business is entitled to a credit of not more than five percent of the business tax liability under AS 43.75.015 for contributions made during the tax year to the A.W. "Winn" Brindle memorial scholarship account (AS 14.43.250). A fisheries business may claim a credit under this subsection for the 1987 tax year and subsequent tax years. A tax credit under this subsection may not be approved for more than 100 percent of a scholarship contribution.

(f) The total tax credits that may be claimed under this section for a tax year for capital expenditures and scholarship contributions combined may not exceed 50 percent of the taxpayer's business tax liability under AS 43.75.015 for that tax year.

(g) The department may not approve a tax credit under this section if

- (1) the property for which the capital expenditure was made was the subject of a previous capital expenditure by another taxpayer for whom a corresponding tax credit under this section has been approved;
- (2) the property for which the capital expenditure was made was sold or transferred between fisheries businesses having substantial common ownership; or
- (3) the fisheries business claiming the credit is in arrears in the payment of a fisheries business tax under AS 43.75.015; for purposes of this paragraph, a taxpayer is not in arrears if the payment is under administrative or judicial appeal.

(h) The department shall prepare an application form for a credit under this section.

(i) The department shall approve or disapprove an application for a credit under this section not later than 60 days after receiving the application.

(j) In this section

- (1) "cooperative" has the meaning given in AS 10.15.595.
- (2) "seafood industrial park" means a seafood processing center with facilities to land, handle, and process or to ship or transship to any location all marketable species of seafood; a seafood industrial park may contain commercial facilities to support the activities of the park, and the labor force and vessels that operate at or from the park;

AS 43.75.140(9) "capital expenditures" includes the price paid for equipment and the cost of improvements made to depreciable property, but does not include expenditures that are deducted entirely for federal income tax purposes in the year in which they accrued or were paid; in this paragraph, "equipment" and "depreciable property" have the meaning given in regulations adopted by the commissioner of commerce and economic development;

(10) "product diversity" means the processing of nontraditional fish or other seafood species or products;

(11) "product quality" means the handling of fish or other seafood species or products in order to increase product sales or value.

ALASKA DEPARTMENT OF REVENUE  
 DIVISION OF AUDIT  
 ALASKA FISHERIES BUSINESS TAX CREDIT APPLICATION  
 A.S. 43.75.032

|   |  |
|---|--|
| FOR THE PERIOD  | ONE APPLICATION PER SHORE-BASED LOCATION   |
| Name (Person, firm or corporation)  | Fisheries Business License Number          |
| Mailing Address   | Federal EIN or Soc. Sec. Number            |
| City, State, Zip Code   | Daytime Telephone Number<br>(            ) |
| Contact Person:   |  |
| Physical Location of Operation: (Note: If operating within a municipality you must indicate the name of the municipality) |  |

I. Enter the total actual or estimated value of capital expenditures made or to be made during the period for which a fisheries business tax credit is being claimed. Attach to this application an itemized statement which includes the date each capital expenditure was made or will be made and give a brief explanation of how the capital expenditure qualifies. (See back of this page for definition of qualifying expenditures) I. \_\_\_\_\_

II. Enter the total dollar value of contributions made to an approved cooperative seafood industrial park. Enter the name and location of the approved park. \_\_\_\_\_  
 Attach copy of cancelled check or receipt for this contribution. II. \_\_\_\_\_

III. Enter the total dollar value of contributions made to the A.W. Winn Brindle memorial scholarship account. Attach copy of cancelled check or receipt which documents this contribution. III. \_\_\_\_\_

Under section (b) of Alaska Statute 43.75.032, the fisheries business tax credit may be increased if the municipality requests the Department of Revenue to reduce the amount of shared revenues they would normally receive. To apply for this credit increase a copy of this application must be submitted to the municipality within 10 days after this application is submitted to the Department of Revenue.

| OFFICE USE ONLY         |       |                          |           |
|-------------------------|-------|--------------------------|-----------|
| Application for credit: |       |                          | Yes    No |
| Approved:               | Date: | Audit Appeals            |           |
| Disapproved:            | Date: | Enforcement              |           |
|                         |       | Public Service Licensing |           |

FOR FURTHER INFORMATION CONTACT  
 FISHERIES & MINING TAX UNIT  
 (907) 465-2371

CHAPTER 75.

FISHERIES BUSINESS TAX

Article

1. Tax on Fisheries Business  
(15 AAC 75.010 -- 15 AAC 75.090)
2. Tax Imposed on Acquisition of Fisheries Resources (15 AAC 75.100)
3. General Provisions  
(15 AAC 75.200 -- 15 AAC 75.300)

ARTICLE 1.

TAX OF FISHERIES BUSINESS

Section

10. Information on return
20. Extension of time for filing returns
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40. Statement of value; records
50. Statement to be provided by custom processors
60. Expenditures eligible for tax credit
70. Application for fisheries business tax credit
80. Placed in service rule
90. Limitation on credit

15 AAC 75 is amended by adding the following sections to read:

15 AAC 75.070. APPLICATION FOR FISHERIES BUSINESS TAX CREDIT. (a) To qualify for the Fisheries Business Tax Credit for eligible expenditures, as defined in 15 AAC 75.060, made between July 1, 1986 and December 31, 1989, a fisheries business must apply for the credit in advance of the capital

expenditure on forms prescribed by the department. On the form, the fisheries business must provide the following information:

- (1) the name of fisheries business;
- (2) the fisheries business license number of each processing facility owned by the fisheries business;
- (3) the mailing address for the fisheries business;
- (4) telephone number for the fisheries business;
- (5) the location of processing facility for which eligible expenditures will be made;
- (6) a list of all equipment and depreciable property to be purchased or constructed and a description of their functions related to the processing of fish;
- (7) the approximate cost of each piece of equipment or depreciable property to be purchased;
- (8) the estimated date that the equipment or depreciable property is to be purchased or constructed and the date it first will be placed into service;
- (9) if used equipment or property is to be purchased, a list of the names of the previous owners of the equipment or property, and the dates of their ownership.

(b) Notwithstanding (a), for the period July 1, 1986, through March 31, 1987, the Department will accept applications for the tax credit for eligible expenditures made prior to the date of the application.

Authority: AS 43.05.080  
AS 43.75.032

Register , 19

REVENUE

15 AAC 75.080

15 AAC 75.080. PLACED IN SERVICE RULE. (a) In order for a credit to be applied against a fisheries business tax liability, the depreciable property or equipment which is the subject of the credit must be effectively placed in service in the state.

(b) Depreciable property or equipment will be considered to have been placed in service in the earlier of the following tax years:

(1) the taxable year in which, under the taxpayer's depreciation practice, the period for depreciation with respect to such property or equipment begins; or

(2) the taxable year in which the depreciable property or equipment is placed in a condition or state of readiness and availability for a specifically assigned function integrally related to the manufacturer of seafood products or fish processing functions under 15 AAC 75.060.

(c) If otherwise qualifying as an eligible expenditure, the following property will be considered in a state of readiness and availability:

(1) parts acquired and set aside during the taxable year for use as replacements for a particular machine in order to avoid operational time loss;

(2) operational fish processing equipment acquired during a taxable year, where it is not practicable to use the equipment for its specifically assigned function in the fisheries business until the following year; and

(3) equipment acquired for a specifically assigned function that is operational but is undergoing testing to eliminate defects.

(d) If the department has determined that certain expenditures are eligible for tax credit, but the expenditures do not reflect the full cost of the equipment or depreciable property because the total amount to be paid or incurred by the taxpayer is indeterminate, credit will be allowed to the taxpayer for the first taxable year with respect to so much of the cost as has been paid or incurred as of the close of that year, and additional credit will be allowed to the taxpayer for subsequent eligible tax years with respect to additional expenditures made during each subsequent year.

(e) Notwithstanding (a) -- (d) of this section and for fish tax credit computation purposes only, property placed in service from July 1, 1986 through December 31, 1986 will be considered to have been first placed in service in tax year 1987.

Authority: AS 43.05.080

AS 43.75.032

15 AAC 75.090. LIMITATION ON CREDIT. (a) If a taxpayer is operating both shore-based and floating fish processor facilities in the same tax year that eligible capital expenditures are made, the total credit that may be claimed in that tax year may not exceed 50 percent of the taxpayer's combined fisheries business tax liability incurred at all of the taxpayer's fish processing facilities. However, in no event may the fisheries business tax credit generated at a processing facility in one tax year be applied to the fisheries business tax liability incurred at another processing facility in a subsequent year if the other facility was not owned by the taxpayer in the tax year the capital expenditure was made. The following are illustrative examples:

(1) Company F solely owns and operates a shore-based processing facility in Alaska and a floating freezership. In 1987, the company spent \$1 million in adding new refrigeration equipment and capacity to its shore-based plant. The company's 1987 fisheries business tax liability at its shore-based plant is \$200,000 and at its floating facility is \$50,000. The 1987 fish tax credit is limited to \$125,000, one-half of the combined

liabilities of both facilities. The remaining \$375,000 credit is available to offset taxes incurred in tax year 1988.

(2) Assume the same facts as in (1), except that in 1988 Company F acquires a second floating freezership and makes no additional eligible capital expenditures to its shore-based facility. For tax year 1988, the new company has a fish tax liability at its shore-based facility of \$200,000, at the original floating facility of \$50,000 and at the acquired facility of \$150,000. The 1988 fisheries business tax credit is again limited to \$125,000. The unused credit cannot be used to offset fisheries business tax incurred at the new facility which was not owned in the year the capital expenditure was made.

(b) A fisheries business tax credit will not be approved if the fisheries business has any arrears or outstanding liability to the state under AS 43.75 which could result in a lien under AS 43.10.035(a), irrespective whether the arrears or outstanding liability arose out of the business activity of the facility for which the expenditure was made. An amount properly and timely disputed under the provisions of AS 43.05.240 shall not constitute an amount in arrears or an outstanding liability.

(c) No credit will be approved for otherwise eligible expenditures made to acquire property from another fisheries business in which there exists substantial common ownership. For purposes of this subsection, "substantial common ownership" means a 50% direct or constructive ownership interest, and constructive ownership will be determined according to the provisions of 26 U.S.C. 318 (Internal Revenue Code § 318) in effect on \_\_\_\_\_, 1987. [Editor - please insert effective date of this regulation.] (Eff. / / , Register .)

Authority: AS 43.05.080

AS 43.75.032

AS 43.75.015(a) is amended to read:

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 fisheries business [CANNERY] - four and one-half percent;

(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 percent;

(3) fisheries resources processed by a floating fisheries business - five percent;

AS 43.75 is amended by adding a new section to read:

Sec. 43.75.032. FISHERIES BUSINESS TAX CREDITS. (a) A fisheries business is entitled to a credit of not more than 50 percent of the business tax liability under AS 43.75.015 for capital expenditures made during the tax year that (1) increase product diversity, or production efficiency and capacity, or improve product quality, at a shore-based fisheries business facility in the state, or (2) contribute to the development of a cooperative seafood industrial park in the state, if an application for the credit is approved by the department in advance of the capital expenditure. A fisheries business may claim a credit under this subsection for a maximum period of three consecutive years. An applicant for the credit may elect to begin the three-year period with any tax year from 1987 through 1989. A tax credit under this subsection may not be approved for more than 50 percent of a capital expenditure, plus any increase required under (b) of this section.

(b) The amount of a credit under (a) of this section for a capital expenditure involving a shore-based fisheries business facility or cooperative seafood industrial park located or to be located in a municipality shall be increased by the amount by which the municipality's fisheries business tax refund is reduced under AS 43.75.130(c). The total amount of a credit increase under this subsection during a three-year period may not exceed 25 percent of the amount of the capital expenditure.

(c) The portion of a capital expenditure that is eligible for a credit under this section but is not claimed during a single tax year may not be carried back to a prior tax year but is available for the computation as a credit under this section for a subsequent tax year within the three year period elected under (a) of this subsection.

(d) Within 10 days after submitting an application for a credit under (a) of this section the applicant shall send a copy of the application to the municipality, if any, in which the shore-based fisheries business facility or cooperative seafood industrial park for which the expenditure is to be made is located or is to be located.

(e) A fisheries business is entitled to a credit of not more than five percent of the business tax liability under AS 43.75.015 for contributions made during the tax year to the A.W. "Winn" Brindle memorial scholarship account (AS 14.43.250). A fisheries business may claim a credit under this subsection for the 1987 tax year and subsequent tax years. A tax credit under this subsection may not be approved for more than 100 percent of a scholarship contribution.

(f) The total tax credits that may be claimed under this section for a tax year for capital expenditures and scholarship contributions combined may not exceed 50 percent of the taxpayer's business tax liability under AS 43.75.015 for that tax year.

(g) The department may not approve a tax credit under this section if

(1) the property for which the capital expenditure was made was the subject of a previous capital expenditure by another taxpayer for whom a corresponding tax credit under this section has been approved;

(2) the property for which the capital expenditure was made was sold or transferred between fisheries businesses having substantial common ownership; or

(3) the fisheries business claiming the credit is in arrears in the payment of a fisheries business tax under AS 43.75.015; for purposes of this paragraph, a taxpayer is not in arrears if the payment is under administrative or judicial appeal.

(h) The department shall prepare an application form for a credit under this section.

(i) The department shall approve or disapprove an application for a credit under this section not later than 60 days after receiving the application.

(j) In this section

(1) "cooperative" has the meaning given in AS 10.15.595.

(2) "seafood industrial park" means a seafood processing center with facilities to land, handle, and process or to ship or transship to any location all marketable species of seafood; a seafood industrial park may contain commercial facilities to support the activities of the park, and the labor force and vessels that operate at or from the park;

Sec. 43.75.034. TAX CREDIT REPORT. Not later than the 15th of legislative day of each regular legislative session the Department of Revenue, shall submit to the legislature a report on the fisheries business tax credit program under AS 43.75.032. The report shall describe the expenditures for which a credit was approved during the previous tax year and, if possible, the increase in employment and processing capacity by the fisheries businesses for which the credit was approved.

AS 43.75.032 is repealed and reenacted to read:

Sec. 43.75.032. TAX CREDIT FOR SCHOLARSHIP CONTRIBUTIONS.  
(a) A fisheries business is entitled to a credit of not more than five percent of the business tax liability under AS 47.75.015 for contributions made during the tax year to the A.W. "Winn" Brindle memorial scholarship account (AS 14.43.250). A tax credit under this section may not be approved for more than 100 percent of a scholarship contribution.

(b) The department may not approve a tax credit under this section if the fisheries business claiming the credit is in arrears in the payment of a fisheries business tax under AS 43.75.015; for purposes of this subsection, a taxpayer is not in arrears if the payment is under administrative or judicial appeal.

(c) The department shall prepare an application form for a credit under this section.

(d) The department shall approve or disapprove an application for credit under this section not later than 60 days after receiving the application.

AS 43.75.130 is amended by adding new subsections to read:

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

(c) Within 60 days after a credit is approved under AS 43.75.032 for a capital expenditure involving a shore-based fisheries business facility or cooperative seafood industrial park located or to be located in a municipality, the municipality may adopt an ordinance directing the department to reduce the municipality's refund under this section over a period of time not more than three years by an amount not exceeding 25 percent of the capital expenditure.

AS 43.75.140 is amended by adding new paragraphs to read:

(9) "capital expenditures" includes the price paid for equipment and the cost of improvements made to depreciable property, but does not include expenditures that are deducted entirely for federal income tax purposes in the year in which they accrued or were paid; in this paragraph, "equipment" and "depreciable property" have the meaning given in regulations adopted by the commissioner of commerce and economic development;

(10) "product diversity" means the processing of nontraditional fish or other seafood species or products;

"  
(11) "product quality" means the handling of fish or other seafood species or products in order to increase product sales or value.

The fish tax credit report under AS 43.75.034, enacted by sec. 2 of this Act, is due February 2, 1987, and shall describe the expenditures for which a credit was approved during 1986 for the 1987 tax year.

AS 43.75.130(c) and 43.75.140(9) - (11) are repealed January 1, 1992.

AS 43.75.034 is repealed February 15, 1992.

Sections 1, 2, and 4-8 of this Act take effect July 1, 1986.

Section 3 of this Act takes effect January 1, 1992.

# STATE OF ALASKA

## DEPARTMENT OF REVENUE

STEVE COWPER, GOVERNOR

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

2320

October 14, 1987

The Honorable Senator Sturgulewski  
Capitol Building  
Room 427  
Juneau, Alaska 99801

TO AM - STUR

Attn: Frank Homan

Dear Mr. Homan:

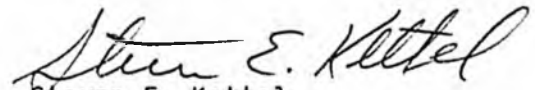
Per your request of October 12, 1987, we have reviewed the Fisheries Business Tax Credit Applications that we have received to date and the following is a breakdown of those applications:

|                               |              |
|-------------------------------|--------------|
| Applications received         | 79 each      |
| Approved Capital Expenditures | \$52,378,131 |
| Denied Capital Expenditures   | \$ 3,247,339 |

These credits will first be available to offset tax on the 1987 Fisheries Business return which is due on March 31, 1988. You can estimate at least 50% of those capital expenditures will reduce revenues over the three years this credit is available. This amount may be increased as there is a provision which allows the local municipalities to authorize an additional 25% credit in exchange for a reduction in their share of the fish tax revenue.

If I can be of further service please feel free to call.

Sincerely,



Steven E. Kettel  
Director of Audit-Income and Excise

SEK:tw

87-124

CHAPTER 75  
FISHERIES BUSINESS TAX

ARTICLE 1  
TAX ON FISHERIES BUSINESS

15 AAC 75.060. EXPENDITURES ELIGIBLE FOR TAX CREDIT. The following "equipment" and "depreciable property" are capital expenditures eligible for fisheries business tax credits under AS 43.75.032:

(1) Refrigeration equipment, or new plant construction or improvements made to depreciable property which are integrally related to the original installation of refrigeration equipment, which is dedicated to and necessary for the performance of the following functions at a shore-based seafood processing facility in Alaska:

- (A) manufacturing, storing and delivery of ice;
- (B) refrigerated holding or storing of processed seafood products, raw fish, or shellfish prior to processing or shipment; or
- (C) seafood product freezing.

(2) Fish processing equipment, or new plant construction or improvements made to depreciable property which are integrally related to the original installation of fish processing equipment, which is necessary for the manufacturing of the following products at a shore-based seafood processing facility in Alaska:

- (A) round or dressed frozen fish or shellfish products;
- (B) fresh or frozen cut or formed boneless portions;
- (C) fresh or frozen fillet products;
- (D) comminuted or minced fish products or products which are based on the use of comminuted or minced fish;
- (E) surimi or products which are based on the use of surimi;
- (F) fish or shellfish meal, oil, solubles, protein derivatives, pharmaceuticals or biochemicals;
- (G) canned salmon;
- (H) smoked or cured seafood products;
- (I) fish or shellfish products preserved by new or nontraditional methods, including aseptic handling, irradiation, controlled atmosphere storage or the application of chemicals.

(3) To be eligible under (2) of this section, the equipment, construction, or improvements must be dedicated to and necessary for appropriate processing functions, such as vessel unseparation, cutting, skinning, bone separation, can filling, forming, washing, mixing, grinding, pumping, concentrating, can seaming, cooking, retorting, drying, pressing, can washing, packaging, labeling, or the addition of chemicals, colors or flavoring.

(Eff. 12/16/86, Register 101).

Authority: AS 43.75.140(9)

**INSTRUCTIONS.** Complete only one schedule, and attach it to the Alaska Fisheries Business Return. If your fisheries business files more than one return, attach a copy of the schedule to each return.

|                                     |  |  |
|-------------------------------------|--|--|
| Name of Person, Firm or Corporation | Federal EIN or Social Security Number* | * If your business has not been issued a federal employer identification number (EIN), you are required to provide your social security number so that the Department of Revenue may administer the tax laws of Alaska. AS 4305080. The information is used by the department for identification purposes. |
| Mailing Address                     | Contact Person                         |  |
| City, State and Zip Code            | Daytime Telephone Number               |  |

|   |    |  |                  |
|---|----|--|------------------|
| 1. Number of Alaska Fisheries Business Returns filed for this tax year . . . . .  | 1  |  | REVENUE USE ONLY |
| 2. Total Tax Before Credits. Enter amount from Page 1, line 8 of your Alaska Fisheries Business Return. If more than one return is filed, complete the Summary Schedule below and enter the amount from line 9a . . . . . | 2  |  |                  |
| 3. Total Available Capital Expenditures Credit. Enter amount from line 3H of the Detail Schedule on the other side. . . . .   | 3  |  |                  |
| 4. (a) A.W. "Winn" Brindle Scholarship Contribution . . . . .   | 4a |  |                  |
| (b) Limitation. Multiply line 2 by 5% (.05). . . . .  | 4b |  |                  |
| (c) Credit. Compare the amounts on lines 4a and 4b. Enter the smaller amount on line 4c. . . . .  | 4c |  |                  |
| 5. Total Credits. Add lines 3 and 4c . . . . .  | 5  |  |                  |
| 6. Limitation. Multiply line 2 by 50% (.50). . . . .  | 6  |  |                  |
| 7. TAX CREDIT AVAILABLE FOR TAX YEAR. Compare the amounts on lines 5 and 6. Enter the smaller amount on line 7 . . . . .  | 7  |  |                  |
| 8. AMOUNT AVAILABLE FOR CARRY FORWARD. Subtract line 6 from line 5 and enter the difference. If less than 0, enter 0. . . . .   | 8  |  |                  |

9. SUMMARY SCHEDULE. HOW CREDITS ARE TO BE APPLIED. (Use this schedule if the fisheries business files more than one Alaska Fisheries Business Return. Attach additional schedule if more space is needed.)

| Fisheries Bus. Lic. No. | Name of Facility | Tax Before Credits (Line 8 of Fisheries Business Return) | Amount of Credit to be Applied | REVENUE USE ONLY |
|-------------------------|------------------|--|--------------------------------|------------------|
|                         |                  |  |                                |                  |
|                         |                  |  |                                |                  |
|                         |                  |  |                                |                  |
|                         |                  |  |                                |                  |
|                         |                  |  |                                |                  |
|                         |                  |  |                                |                  |
|                         |                  |  |                                |                  |
|                         |                  |  |                                |                  |
|                         |                  |  |                                |                  |
|                         |                  |  |                                |                  |

**DRAFT**

|  |    |  |  |
|--|----|--|--|
| (a) TOTAL TAX BEFORE CREDITS . . . . .                       | 9a |  |  |
| (b) TOTAL CREDITS TO BE APPLIED (Must equal line 7). . . . . | 9b |  |  |





FISHERIES BUSINESS TAX CREDIT

| DATE OF APPROVAL OR DENIAL | YEAR    | CITY/STATE     | LOCATION OF FACILITY | AMOUNT APPROVED | AMOUNT DENIED | REASON FOR DENIAL         |
|----------------------------|---------|----------------|----------------------|-----------------|---------------|---------------------------|
| 09/30                      | 1987    | Anchorage, AK  | NIKISKI              | \$540,000.00    | \$10,000.00   |                           |
| 10/05                      | 1986    | Seattle, WA    | KODIAK               | \$4,215,000.00  |               |                           |
| 06/18                      | 1986    | Seattle, WA    | SEWARD               | \$0.00          | \$76,856.00   | PRIOR TO EFFECTIVE DATE   |
| 06/18                      | 1986    | Seattle, WA    | SEWARD               | \$5,892.00      | \$0.00        |                           |
| 06/18                      | 1986    | Seattle, WA    | SEWARD               | \$12,195.00     | \$0.00        |                           |
| 06/24                      | 1986    | Seattle, WA    | PETERSBURG           | \$231,115.00    | \$0.00        |                           |
| 06/19                      | 1987    | Seattle, WA    | SEWARD               | \$600,000.00    | \$0.00        |                           |
| 06/19                      | 1987    | Seattle, WA    | PETERSBURG           | \$2,456,245.00  | \$0.00        |                           |
| 06/19                      | 1986    | Seattle, WA    | KODIAK               | \$124,916.00    | \$0.00        |                           |
| 06/19                      | 1987    | Bellingham, WA | SITKA                | \$12,131.00     | \$0.00        |                           |
| 06/19                      | 1987    | Seattle, WA    | NAKNEK               | \$68,000.00     | \$0.00        |                           |
| 06/24                      | 1987    | Wrangell, AK   | WRANGELL             | \$197,000.00    | \$0.00        |                           |
| 06/24                      | 1987-88 | Seattle, WA    | KING COVE            | \$2,500,000.00  | \$0.00        |                           |
| 06/24                      | 1986    | Seattle, WA    | KODIAK               | \$280,000.00    | \$0.00        |                           |
| 06/24                      | 1987    | Seattle, WA    | NAKNEK               | \$221,850.00    | \$0.00        |                           |
| 06/24                      | 1987    | Seattle, WA    | KETCHIKAN            | \$385,900.00    | \$0.00        |                           |
| 06/24                      | 1987    | Seattle, WA    | KETCHIKAN            | \$0.00          | \$395,000.00  | BUNKHOUSE                 |
| 06/24                      | 1986    | Seattle, WA    | CORDOVA              | \$37,596.00     | \$0.00        |                           |
| 06/24                      | 1986    | Seattle, WA    | CORDOVA              | \$236,778.00    | \$0.00        |                           |
| 06/24                      | 1986    | Seattle, WA    | CORDOVA              | \$117,210.00    | \$0.00        |                           |
| 06/24                      | 1986-87 | Seattle, WA    | PORT BRILEY          | \$364,653.00    | \$30,958.00   | WINTERIZING LV QUARTERS   |
| 06/24                      | 1987    | Seattle, WA    | AKUTAN               | \$200,000.00    | \$0.00        |                           |
| 06/24                      | 1986    | Seattle, WA    | KODIAK               | \$0.00          | \$219,756.00  | PRIOR TO EFFECTIVE DATE   |
| 06/24                      | 1986    | Seattle, WA    | KODIAK               | \$0.00          | \$422,945.00  | TENTATIVE EFFECTIVE DATE  |
| 08/04                      | 1987    | Bellingham, WA | SITKA                | \$114,292.00    | \$0.00        |                           |
| 08/04                      | 1987-88 | Redmond, WA    | UNALASKA             | \$450,000.00    | \$0.00        |                           |
| 08/04                      | 1986    | Seattle, WA    | KODIAK               | \$249,000.00    | \$0.00        |                           |
| 08/04                      | 1987    | Seattle, WA    | CORDOVA              | \$2,091,994.00  | \$0.00        |                           |
| 08/06                      | 1986    | Valdez, AK     | VALDEZ               | \$387,527.00    | \$0.00        |                           |
| 08/07                      | 1986    | Seattle, WA    | VALDEZ               | \$475,000.00    | \$0.00        |                           |
| 08/14                      | 1987-90 | Seattle, WA    | AKUTAN               | \$13,688,000.00 | \$800,000.00  | BUNKHOUSE                 |
| 04/14                      | 1987    | Seattle, WA    | ALITAK               | \$120,000.00    | \$0.00        |                           |
| 04/14                      | 1987    | Seattle, WA    | KENAI                | \$96,629.00     | \$0.00        |                           |
| 01/15                      | 1987    | Seattle, WA    | EKUK                 | \$96,100.00     | \$0.00        |                           |
| 04/14                      | 1987    | Seattle, WA    | EKUK                 | \$339,545.00    | \$0.00        |                           |
| 08/12                      | 1986    | Ketchikan, AK  | KETCHIKAN            | \$731,699.00    | \$0.00        |                           |
| 08/25                      | 1987    | Cordova, AK    | CORDOVA              | \$382,647.00    | \$0.00        |                           |
| 08/26                      | 1987    | Kodiak, AK     | KODIAK               | \$150,000.00    | \$0.00        |                           |
| 09/14                      | 1986    | Seattle, WA    | TOGIAK               | \$0.00          | \$312,935.00  | PRIOR TO EFFECTIVE DATE   |
| 09/21                      | 1987    | Seattle, WA    | TOGIAK               | \$139,395.00    | \$0.00        |                           |
| 06/19                      | 1987    | Seattle, WA    | KODIAK               | \$613,000.00    | \$0.00        |                           |
| 09/29                      | 1987    | Yakutat, AK    | YAKUTAT              | \$75,465.00     | \$0.00        |                           |
| 01/15                      | 1986    | Ketchikan, AK  | KETCHIKAN            | \$1,160,000.00  | \$0.00        |                           |
| 01/15                      | 1986    | Seattle, WA    | NAKNEK               | \$17,276.00     | \$0.00        |                           |
| 01/15                      | 1986    | Seattle, WA    | KETCHIKAN            | \$172,321.00    | \$0.00        |                           |
| 01/15                      | 1986    | Kasilof, AK    | KENAI                | \$88,400.00     | \$0.00        |                           |
| 01/15                      | 1986    | Sitka, AK      | SITKA/YAKUTAT        | \$128,389.00    | \$0.00        |                           |
| 06/19                      | 1987    | Sitka, AK      | SITKA                | \$57,000.00     | \$0.00        |                           |
| 06/19                      | 1987    | Sitka, AK      | SITKA/YAKUTAT        | \$15,000.00     | \$0.00        |                           |
| 06/19                      | 1986    | Sitka, AK      | SITKA                | \$27,356.00     | \$0.00        |                           |
| 06/19                      | 1987    | Sitka, AK      | SITKA                | \$356,272.00    | \$0.00        |                           |
| 06/19                      | 1987    | Sitka, AK      | YAKUTAT              | \$138,138.00    | \$0.00        |                           |
| 01/15                      | 1986    | Kenai, AK      | KENAI                | \$234,400.00    | \$0.00        |                           |
| 01/16                      | 1986    | Juneau, AK     | JUNEAU               | \$3,000.00      | \$0.00        |                           |
| 01/15                      | 1986    | Seattle, WA    | UNALASKA             | \$12,483,742.00 | \$0.00        |                           |
| 01/15                      | 1986    | Hoonah, AK     | HOONAH               | \$195,515.00    | \$0.00        |                           |
| 01/15                      | 1986    | Seattle, WA    | KODIAK               | \$791,207.00    | \$0.00        |                           |
| 04/14                      | 1987    | Seattle, WA    | KETCHIKAN            | \$98,237.00     | \$0.00        |                           |
| 04/14                      | 1987    | Seattle, WA    | KETCHIKAN            | \$31,100.00     | \$0.00        |                           |
| 04/14                      | 1987    | Seattle, WA    | KETCHIKAN            | \$54,000.00     | \$0.00        |                           |
| 04/14                      | 1987    | Seattle, WA    | EXCURSION INLET      | \$223,937.00    | \$0.00        |                           |
| 04/14                      | 1987    | Seattle, WA    | EXCURSION INLET      | \$7,500.00      | \$0.00        |                           |
| 04/14                      | 1987    | Seattle, WA    | EXCURSION INLET      | \$17,000.00     | \$0.00        |                           |
| 04/14                      | 1987    | Seattle, WA    | EXCURSION INLET      | \$6,800.00      | \$0.00        |                           |
| 04/14                      | 1987    | Seattle, WA    | EXCURSION INLET      | \$27,000.00     | \$0.00        |                           |
| 04/14                      | 1986    | Kenai, AK      | KENAI                | \$383,500.00    | \$0.00        |                           |
| 04/09                      | 1986    | Seattle, WA    | KODIAK               | \$642,209.00    | \$713,893.00  | FLOATING OPERATION        |
| 04/07                      | 1986    | Redmond, WA    | UNALASKA             | \$428,552.00    | \$0.00        |                           |
| 04/14                      | 1987    | Seattle, WA    | NAKNEK               | \$106,500.00    | \$0.00        |                           |
| 04/14                      | 1987    | Seattle, WA    | PETERSBURG           | \$77,000.00     | \$0.00        |                           |
| 06/19                      | 1986    | Seattle, WA    | CORDOVA              | \$965,929.00    | \$0.00        |                           |
| 06/19                      | 1986    | Seattle, WA    | KENAI                | \$49,553.00     | \$0.00        |                           |
| 06/19                      | 1986    | Seattle, WA    | NAKNEK               | \$82,940.00     | \$0.00        |                           |
| 06/19                      | 1987    | Kodiak, AK     | KODIAK               | \$85,000.00     | \$0.00        |                           |
| 06/19                      | 1987    | Kodiak, AK     | KODIAK               | \$160,438.00    | \$0.00        |                           |
| 06/19                      | 1986    | Seattle, WA    | S NAKNEK             | \$36,639.00     | \$0.00        |                           |
| 06/10                      | 1986    | Seattle, WA    | PETERSBURG           | \$0.00          | \$191,493.00  | PRIOR TO EFFECTIVE DATE   |
| 06/18                      | 1986    | Seattle, WA    | PETERSBURG           | \$0.00          | \$17,840.00   | PRIOR TO EFFECTIVE DATE   |
| 06/18                      | 1986    | Seattle, WA    | PETERSBURG           | \$0.00          | \$55,663.00   | PRIOR TO EFFECTIVE DATE   |
| 06/18                      | 1986    | Seattle, WA    | PETERSBURG           | \$19,487.00     | \$0.00        |                           |
| 11/03                      | 1987    | Anchorage, AK  | KODIAK               | \$540,000.00    | \$0.00        |                           |
| 11/03                      | 1987    | Ketchikan, AK  | CRAIG                |                 | \$65,000.00   | EXP. MADE BEFORE APPROVAL |
| 11/12                      | 1987    | Seattle, WA    | CORDOVA              | \$75,000.00     |               |                           |
| 11/24                      | 1987    | Anchorage, AK  | KODIAK/KENAI         | \$600,000.00    |               |                           |
| 11/24                      | 1987    | Anchorage, AK  | NIKISKI              | \$10,310.00     |               |                           |

TOTAL \$ AMOUNT APPROVED \$53,603,941.00

\$3,312,339.00

TOTAL \$ APPLIED FOR

\$56,916,280.00

96



### ALASKA COMMERCIAL FISHERIES REGIONS AND AREAS

#### REGION I: SOUTHEASTERN: Dixon Entrance to Cape Suckling

- Areas: A. Juneau & Yakutat  
 B. Ketchikan  
 C. Petersburg  
 D. Sitka

#### REGION II: CENTRAL: State Third Judicial Division Northern Boundary to Cape Suckling to Cape Douglas to Cape Mensehikof to Cape Newenham

- Areas: E. Prince William Sound  
 H. Cook Inlet  
 T. Bristol Bay (salmon and herring catch; all fish and shellfish production)

#### REGION III: ARCTIC-YUKON-KUSKOKWIM (AYK); North of State Third Judicial Division Northern Boundary which ends at the west at Cape Newenham including Nunivak, St. Matthew, and St. Lawrence Islands

- Areas: W. Kuskokwim  
 X. Kotzebue  
 Y. Yukon  
 Z. Norton Sound

#### REGION IV: WESTERN: Cape Douglas to Unimak Pass to Cape Newenham including Kodiak and Aleutian Islands

- Areas: K. Kodiak  
 L. Chignik  
 M. Alaska Peninsula  
 O. Dutch Harbor  
 Q. Bering Sea  
 R. Adak & W. Aleutians  
 T. Bristol Bay (fish other than salmon and herring catch; and shellfish catch)

| COMM. FISH REGIONS<br>& AREA COMMUNITIES | IMPACT<br>(YES=1)<br>(NO =0) | POP.<br>GROWTH<br>IMPACT | ALLOCATION<br>BY % AREA-<br>WIDE CATCH | ALLOCATION<br>BY POP.<br>CHANGE | TOTAL<br>\$\$<br>ALLOCATION | CATCH IN<br>POUNDS |
|--|------------------------------|--------------------------|--|---------------------------------|-----------------------------|--------------------|
| REGION I: SOUTHEASTERN                   |                              |                          |  |                                 |                             |                    |
| AREA A - JUNEAU & YAKUTAT                |                              |                          |  |                                 |                             |                    |
| ANSON                                    | 1                            | 0                        | \$1,612.51                             | \$0.00                          | \$1,612.51                  |                    |
| HAINES                                   | 0                            | 0                        | \$0.00                                 | \$0.00                          | \$0.00                      |                    |
| HAINES, BOROUGH OF                       | 0                            | 0                        | \$0.00                                 | \$0.00                          | \$0.00                      |                    |
| JUNEAU, CITY AND BOROUGH                 | 0                            | 0                        | \$0.00                                 | \$0.00                          | \$0.00                      |                    |
| SKAGWAY                                  | 1                            | 100                      | \$1,612.51                             | \$3,225.01                      | \$4,837.52                  |                    |
| YAKUTAT                                  | 0                            | 0                        | \$0.00                                 | \$0.00                          | \$0.00                      |                    |
| AREA A - TOTAL.....                      | 2                            | 100                      | \$3,225.01                             | \$3,225.01                      | \$6,450.03                  | 3,384,559          |
| AREA B - KETCHIKAN                       |                              |                          |  |                                 |                             |                    |
| CRAIG                                    | 1                            | 500                      | \$2,417.34                             | \$2,347.84                      | \$4,765.18                  |                    |
| HYDABURG                                 | 0                            | 0                        | \$0.00                                 | \$0.00                          | \$0.00                      |                    |
| KASAAN                                   | 0                            | 0                        | \$0.00                                 | \$0.00                          | \$0.00                      |                    |
| KETCHIKAN                                | 1                            | 1,994                    | \$2,417.34                             | \$9,363.20                      | \$11,780.54                 |                    |
| KETCHIKAN, BOROUGH OF                    | 1                            | 0                        | \$2,417.34                             | \$0.00                          | \$2,417.34                  |                    |
| KLANOCK                                  | 1                            | 80                       | \$2,417.34                             | \$375.66                        | \$2,792.99                  |                    |
| METLAKATLA                               | 0                            | 0                        | \$0.00                                 | \$0.00                          | \$0.00                      |                    |
| SAXMAN                                   | 1                            | 0                        | \$2,417.34                             | \$0.00                          | \$2,417.34                  |                    |
| THORNE BAY                               | 0                            | 0                        | \$0.00                                 | \$0.00                          | \$0.00                      |                    |
| AREA B - TOTAL.....                      | 5                            | 2,574                    | \$12,086.70                            | \$12,086.70                     | \$24,173.40                 | 12,684,641         |
| AREA C - PETERSBURG/WRANGELL             |                              |                          |  |                                 |                             |                    |
| KAKE                                     | 0                            | 0                        | \$0.00                                 | \$0.00                          | \$0.00                      |                    |
| KUPREANOF                                | 0                            | 0                        | \$0.00                                 | \$0.00                          | \$0.00                      |                    |
| PETERSBURG                               | 0                            | 0                        | \$0.00                                 | \$0.00                          | \$0.00                      |                    |
| WRANGELL                                 | 0                            | 0                        | \$0.00                                 | \$0.00                          | \$0.00                      |                    |
| AREA C - TOTAL.....                      | 0                            | 0                        | \$143.39                               | \$143.39                        | \$286.78                    | 150,488            |
| AREA D - SITKA                           |                              |                          |  |                                 |                             |                    |
| HOONAH                                   | 0                            | 0                        | \$0.00                                 | \$0.00                          | \$0.00                      |                    |
| PELICAN                                  | 1                            | 38                       | \$1,093.90                             | \$78.43                         | \$1,172.33                  |                    |
| PORT ALEXANDER                           | 0                            | 0                        | \$0.00                                 | \$0.00                          | \$0.00                      |                    |
| SITKA, BOROUGH OF                        | 1                            | 1,200                    | \$1,093.90                             | \$2,476.76                      | \$3,570.66                  |                    |
| TENAKEE SPRINGS                          | 1                            | 352                      | \$1,093.90                             | \$726.52                        | \$1,820.42                  |                    |
| AREA D - TOTAL.....                      | 3                            | 1,590                    | \$3,281.71                             | \$3,281.71                      | \$6,563.41                  | 3,444,055          |

| COMM. FISH REGIONS<br>& AREA COMMUNITIES | IMPACT<br>(YES=1)<br>(NO =0) | POP.<br>GROWTH<br>IMPACT | ALLOCATION<br>BY % AREA-<br>WIDE CATCH | ALLOCATION<br>BY POP.<br>CHANGE | TOTAL<br>\$\$<br>ALLOCATION | CATCH IN<br>POUNDS |
|--|------------------------------|--------------------------|--|---------------------------------|-----------------------------|--------------------|
| REGION II: CENTRAL                       |                              |                          |  |                                 |                             |                    |
| AREA E - PRINCE WILLIAM SOUND            |                              |                          |  |                                 |                             |                    |
| CORDOVA                                  | 1                            | 500                      | \$8,055.08                             | \$10,068.85                     | \$18,123.94                 |                    |
| VALDEZ                                   | 1                            | 300                      | \$8,055.08                             | \$6,041.31                      | \$14,096.40                 |                    |
| WHITTIER                                 | 0                            | 0                        | \$0.00                                 | \$0.00                          | \$0.00                      |                    |
| AREA E - TOTAL.....                      | 2                            | 800                      | \$16,110.17                            | \$16,110.17                     | \$32,220.33                 | 16,907,153         |
| AREA H - COOK INLET                      |                              |                          |  |                                 |                             |                    |
| ANCHORAGE, MUNICIPALITY OF               | 0                            | 0                        | \$0.00                                 | \$0.00                          | \$0.00                      |                    |
| ANDERSON                                 | 0                            | 0                        | \$0.00                                 | \$0.00                          | \$0.00                      |                    |
| HOMER                                    | 0                            | 0                        | \$0.00                                 | \$0.00                          | \$0.00                      |                    |
| HOUSTON                                  | 0                            | 0                        | \$0.00                                 | \$0.00                          | \$0.00                      |                    |
| KACHEMAK                                 | 0                            | 0                        | \$0.00                                 | \$0.00                          | \$0.00                      |                    |
| KENAI PENINSULA BOROUGH                  | 1                            | 7,643                    | \$1,212.67                             | \$1,212.67                      | \$2,425.34                  |                    |
| KENAI                                    | 0                            | 0                        | \$0.00                                 | \$0.00                          | \$0.00                      |                    |
| KATANUSKA-SUSITNA BOROUGH                | 0                            | 0                        | \$0.00                                 | \$0.00                          | \$0.00                      |                    |
| PALMER                                   | 0                            | 0                        | \$0.00                                 | \$0.00                          | \$0.00                      |                    |
| SELDOVIA                                 | 0                            | 0                        | \$0.00                                 | \$0.00                          | \$0.00                      |                    |
| SEWARD                                   | 0                            | 0                        | \$0.00                                 | \$0.00                          | \$0.00                      |                    |
| SOLDATNA                                 | 0                            | 0                        | \$0.00                                 | \$0.00                          | \$0.00                      |                    |
| WASILLA                                  | 0                            | 0                        | \$0.00                                 | \$0.00                          | \$0.00                      |                    |
| AREA H - TOTAL.....                      | 1                            | 7,643                    | \$1,212.67                             | \$1,212.67                      | \$2,425.34                  | 1,272,663          |
| AREA T - BRISTOL BAY                     |                              |                          |  |                                 |                             |                    |
| ALEKNAGIK                                | 0                            | 0                        | \$0.00                                 | \$0.00                          | \$0.00                      |                    |
| BRISTOL BAY BOROUGH                      | 1                            | 345                      | \$22,287.66                            | \$4,607.79                      | \$26,895.44                 |                    |
| CLARK'S POINT                            | 1                            | 407                      | \$22,287.66                            | \$5,435.85                      | \$27,723.51                 |                    |
| DILLINGHAM                               | 1                            | 1,423                    | \$22,287.66                            | \$19,005.44                     | \$41,293.10                 |                    |
| EKWOK                                    | 0                            | 0                        | \$0.00                                 | \$0.00                          | \$0.00                      |                    |
| MANOKOTAK                                | 0                            | 0                        | \$0.00                                 | \$0.00                          | \$0.00                      |                    |
| NEW STUYAHOK                             | 0                            | 0                        | \$0.00                                 | \$0.00                          | \$0.00                      |                    |
| NEWHALEN                                 | 0                            | 0                        | \$0.00                                 | \$0.00                          | \$0.00                      |                    |
| NONDALTON                                | 0                            | 0                        | \$0.00                                 | \$0.00                          | \$0.00                      |                    |
| TOGIAK                                   | 1                            | 4,500                    | \$22,287.66                            | \$60,101.54                     | \$82,389.20                 |                    |
| AREA T - TOTAL.....                      | 4                            | 6,675                    | \$89,150.62                            | \$89,150.62                     | \$178,301.25                | 93,560,997         |

| COMM.FISH REGIONS<br>& AREA COMMUNITIES | IMPACT<br>(YES=1)<br>(NO =0) | POP.<br>GROWTH<br>IMPACT | ALLOCATION<br>BY % AREA-<br>WIDE CATCH | ALLOCATION<br>BY POP.<br>CHANGE | TOTAL<br>\$\$<br>ALLOCATION | CATCH IN<br>POUNDS |
|---|------------------------------|--------------------------|--|---------------------------------|-----------------------------|--------------------|
| REGION III: A-Y-K                       |                              |                          |  |                                 |                             |                    |
| AREA W - KUSKOKWIM                      |                              |                          |  |                                 |                             |                    |
| AKIACHUK                                | 0                            | 0                        | \$0.00                                 | \$0.00                          | \$0.00                      |                    |
| AKIAK                                   | 0                            | 0                        | \$0.00                                 | \$0.00                          | \$0.00                      |                    |
| ANIAK                                   | 0                            | 0                        | \$0.00                                 | \$0.00                          | \$0.00                      |                    |
| ATMAUTLUAK                              | 0                            | 0                        | \$0.00                                 | \$0.00                          | \$0.00                      |                    |
| BETHEL                                  | 0                            | 0                        | \$0.00                                 | \$0.00                          | \$0.00                      |                    |
| CHEFUNAK                                | 0                            | 0                        | \$0.00                                 | \$0.00                          | \$0.00                      |                    |
| CHUATI BALUK                            | 0                            | 0                        | \$0.00                                 | \$0.00                          | \$0.00                      |                    |
| EEK                                     | 0                            | 0                        | \$0.00                                 | \$0.00                          | \$0.00                      |                    |
| GOODNEWS BAY                            | 0                            | 0                        | \$0.00                                 | \$0.00                          | \$0.00                      |                    |
| KASIGLUK                                | 0                            | 0                        | \$0.00                                 | \$0.00                          | \$0.00                      |                    |
| KWETHLUK                                | 0                            | 0                        | \$0.00                                 | \$0.00                          | \$0.00                      |                    |
| LOWER KALSKAG                           | 0                            | 0                        | \$0.00                                 | \$0.00                          | \$0.00                      |                    |
| MEKORYUK                                | 0                            | 0                        | \$0.00                                 | \$0.00                          | \$0.00                      |                    |
| NAPAKIAK                                | 0                            | 0                        | \$0.00                                 | \$0.00                          | \$0.00                      |                    |
| NAPASKIAK                               | 0                            | 0                        | \$0.00                                 | \$0.00                          | \$0.00                      |                    |
| NEWTOK                                  | 0                            | 0                        | \$0.00                                 | \$0.00                          | \$0.00                      |                    |
| NIGHTMUTE                               | 0                            | 0                        | \$0.00                                 | \$0.00                          | \$0.00                      |                    |
| NIKOLAI                                 | 0                            | 0                        | \$0.00                                 | \$0.00                          | \$0.00                      |                    |
| MUNAPITCHUK (AKOLMIUT)                  | 0                            | 0                        | \$0.00                                 | \$0.00                          | \$0.00                      |                    |
| PLATINUM                                | 0                            | 0                        | \$0.00                                 | \$0.00                          | \$0.00                      |                    |
| QUINHAGAK                               | 1                            | 50                       | \$1,730.20                             | \$1,161.21                      | \$2,891.41                  |                    |
| TOKSOOK BAY                             | 1                            | 99                       | \$1,730.20                             | \$2,299.20                      | \$4,029.40                  |                    |
| TULUKSAK                                | 0                            | 0                        | \$0.00                                 | \$0.00                          | \$0.00                      |                    |
| TUNUKAK                                 | 0                            | 0                        | \$0.00                                 | \$0.00                          | \$0.00                      |                    |
| UPPER KALSKAG                           | 0                            | 0                        | \$0.00                                 | \$0.00                          | \$0.00                      |                    |
| AREA W - TOTAL.....                     | 2                            | 149                      | \$3,460.41                             | \$3,460.41                      | \$6,920.82                  | 3,631,598          |
| AREA X - KOTZEBUE                       |                              |                          |  |                                 |                             |                    |
| AMBLER                                  | 0                            | 0                        | \$0.00                                 | \$0.00                          | \$0.00                      |                    |
| ANAKTUVUK PASS                          | 0                            | 0                        | \$0.00                                 | \$0.00                          | \$0.00                      |                    |
| ATQASUK                                 | 0                            | 0                        | \$0.00                                 | \$0.00                          | \$0.00                      |                    |
| BARROW                                  | 0                            | 0                        | \$0.00                                 | \$0.00                          | \$0.00                      |                    |
| BUCKLAND                                | 0                            | 0                        | \$0.00                                 | \$0.00                          | \$0.00                      |                    |
| DEERING                                 | 0                            | 0                        | \$0.00                                 | \$0.00                          | \$0.00                      |                    |
| KAKTOVIK                                | 0                            | 0                        | \$0.00                                 | \$0.00                          | \$0.00                      |                    |
| KIANA                                   | 0                            | 0                        | \$0.00                                 | \$0.00                          | \$0.00                      |                    |
| KIVALINA                                | 0                            | 0                        | \$0.00                                 | \$0.00                          | \$0.00                      |                    |
| KOTZEBUE                                | 0                            | 0                        | \$0.00                                 | \$0.00                          | \$0.00                      |                    |
| NOORVIK                                 | 0                            | 0                        | \$0.00                                 | \$0.00                          | \$0.00                      |                    |
| NORTH SLOPE BOROUGH                     | 0                            | 0                        | \$0.00                                 | \$0.00                          | \$0.00                      |                    |
| NORTHWEST ARCTIC BOROUGH                | 0                            | 0                        | \$0.00                                 | \$0.00                          | \$0.00                      |                    |
| KUQSUT                                  | 0                            | 0                        | \$0.00                                 | \$0.00                          | \$0.00                      |                    |
| POINT HOPE                              | 0                            | 0                        | \$0.00                                 | \$0.00                          | \$0.00                      |                    |
| SELAWIK                                 | 0                            | 0                        | \$0.00                                 | \$0.00                          | \$0.00                      |                    |
| SHISHMAREF                              | 0                            | 0                        | \$0.00                                 | \$0.00                          | \$0.00                      |                    |

|                          |   |     |            |            |             |           |
|--------------------------|---|-----|------------|------------|-------------|-----------|
| SHUNGNAK                 | 0 | 0   | \$0.00     | \$0.00     | \$0.00      |           |
| WAINWRIGHT               | 0 | 0   | \$0.00     | \$0.00     | \$0.00      |           |
| AREA X - TOTAL.....      | 0 | 0   | \$0.00     | \$0.00     | \$0.00      |           |
| AREA Y - YUKON           |   |     |            |            |             |           |
| ALAKANUK                 | 0 | 0   | \$0.00     | \$0.00     | \$0.00      |           |
| CHEVAK                   | 0 | 0   | \$0.00     | \$0.00     | \$0.00      |           |
| EMMONAK                  | 1 | 112 | \$4,949.34 | \$4,949.34 | \$9,898.67  |           |
| FORTUNA LEDGE (MARSHALL) | 0 | 0   | \$0.00     | \$0.00     | \$0.00      |           |
| HOLY CROSS               | 0 | 0   | \$0.00     | \$0.00     | \$0.00      |           |
| HOOVER BAY               | 0 | 0   | \$0.00     | \$0.00     | \$0.00      |           |
| KOTLIK                   | 0 | 0   | \$0.00     | \$0.00     | \$0.00      |           |
| MOUNTAIN VILLAGE         | 0 | 0   | \$0.00     | \$0.00     | \$0.00      |           |
| PILOT STATION            | 0 | 0   | \$0.00     | \$0.00     | \$0.00      |           |
| RUSSIAN MISSION          | 0 | 0   | \$0.00     | \$0.00     | \$0.00      |           |
| SAINT MARY'S             | 0 | 0   | \$0.00     | \$0.00     | \$0.00      |           |
| SCAMMON BAY              | 0 | 0   | \$0.00     | \$0.00     | \$0.00      |           |
| SHELDON POINT            | 0 | 0   | \$0.00     | \$0.00     | \$0.00      |           |
| AREA Y - TOTAL.....      | 1 | 112 | \$4,949.34 | \$4,949.34 | \$9,898.67  | 5,194,186 |
| AREA Z - NORTON SOUND    |   |     |            |            |             |           |
| BREVIS MISSION           | 0 | 0   | \$0.00     | \$0.00     | \$0.00      |           |
| ELIM                     | 0 | 0   | \$0.00     | \$0.00     | \$0.00      |           |
| GOLDVYN                  | 1 | 70  | \$2,300.36 | \$843.06   | \$3,143.42  |           |
| KOYUK                    | 1 | 3   | \$2,300.36 | \$36.13    | \$2,336.49  |           |
| NOME                     | 0 | 0   | \$0.00     | \$0.00     | \$0.00      |           |
| SAINT MICHAEL            | 0 | 0   | \$0.00     | \$0.00     | \$0.00      |           |
| SHAKTODLIK               | 0 | 0   | \$0.00     | \$0.00     | \$0.00      |           |
| STEBBINS                 | 0 | 0   | \$0.00     | \$0.00     | \$0.00      |           |
| TELLER                   | 0 | 0   | \$0.00     | \$0.00     | \$0.00      |           |
| UNALAKLEET               | 1 | 500 | \$2,300.36 | \$6,021.87 | \$8,322.23  |           |
| WALES                    | 0 | 0   | \$0.00     | \$0.00     | \$0.00      |           |
| WHITE MOUNTAIN           | 0 | 0   | \$0.00     | \$0.00     | \$0.00      |           |
| AREA Z - TOTAL.....      | 3 | 573 | \$6,901.07 | \$6,901.07 | \$13,802.14 | 7,242,471 |

| COMM. FISH REGIONS<br>& AREA COMMUNITIES | IMPACT<br>(YES=1)<br>(NO =0) | POP.<br>GROWTH<br>IMPACT | ALLOCATION<br>BY % AREA-<br>WIDE CATCH | ALLOCATION<br>BY POP.<br>CHANGE | TOTAL<br>\$\$<br>ALLOCATION | CATCH IN<br>POUNDS |
|--|------------------------------|--------------------------|--|---------------------------------|-----------------------------|--------------------|
| REGION IV: WESTERN                       |                              |                          |  |                                 |                             |                    |
| AREA K - KODIAK                          |                              |                          |  |                                 |                             |                    |
| AKHTOK                                   | 0                            | 0                        | \$0.00                                 | \$0.00                          | \$0.00                      |                    |
| KODIAK                                   | 1                            | 133                      | \$1,929.28                             | \$2,411.59                      | \$4,340.87                  |                    |
| KODIAK ISLAND BOROUGH                    | 1                            | 359                      | \$1,929.28                             | \$6,509.49                      | \$8,438.77                  |                    |
| LARSEN BAY                               | 1                            | 0                        | \$1,929.28                             | \$0.00                          | \$1,929.28                  |                    |
| OLD HARBOR                               | 0                            | 0                        | \$0.00                                 | \$0.00                          | \$0.00                      |                    |
| OUZINKIE                                 | 1                            | 0                        | \$1,929.28                             | \$0.00                          | \$1,929.28                  |                    |
| PORT LIONS                               | 1                            | 40                       | \$1,929.28                             | \$725.29                        | \$2,654.57                  |                    |
| AREA K - TOTAL.....                      | 5                            | 532                      | \$9,646.38                             | \$9,646.38                      | \$19,292.75                 | 10,123,593         |
| AREA L - CHIGNIK                         |                              |                          |  |                                 |                             |                    |
| CHIGNIK                                  | 1                            | 240                      | \$1,259.12                             | \$1,259.12                      | \$2,518.25                  |                    |
| AREA L - TOTAL.....                      | 1                            | 240                      | \$1,259.12                             | \$1,259.12                      | \$2,518.25                  | 1,321,415          |
| AREA M - FLASKA PENINSULA                |                              |                          |  |                                 |                             |                    |
| COLD BAY                                 | 0                            | 0                        | \$0.00                                 | \$0.00                          | \$0.00                      |                    |
| KING COVE                                | 1                            | 314                      | \$4,806.71                             | \$5,949.96                      | \$10,756.67                 |                    |
| PORT HEIDEN                              | 1                            | 72                       | \$4,806.71                             | \$1,364.32                      | \$6,171.03                  |                    |
| SAND POINT                               | 1                            | 375                      | \$4,806.71                             | \$7,105.85                      | \$11,912.55                 |                    |
| AREA M - TOTAL.....                      | 3                            | 761                      | \$14,420.13                            | \$14,420.13                     | \$28,840.26                 | 15,133,507         |
| AREA R10 - ALEUTIANS                     |                              |                          |  |                                 |                             |                    |
| AKUTAN                                   | 0                            | 0                        | \$0.00                                 | \$0.00                          | \$0.00                      |                    |
| UNALASKA                                 | 1                            | 1000                     | \$3,790.71                             | \$3,790.71                      | \$7,581.43                  |                    |
| AREA R10 - TOTAL.....                    | 1                            | 1,000                    | \$3,790.71                             | \$3,790.71                      | \$7,581.43                  | 3,978,244          |
| AREA Q - BERING SEA                      |                              |                          |  |                                 |                             |                    |
| SAINT PAUL                               | 1                            | 0                        | \$27,981.28                            | \$0.00                          | \$27,981.28                 |                    |
| SAINT GEORGE                             | 1                            | 14                       | \$27,981.28                            | \$55,962.57                     | \$83,943.85                 |                    |
| AREA Q - TOTAL.....                      | 2                            | 14                       | \$55,962.57                            | \$55,962.57                     | \$111,925.13                | 58,731,032         |
| *****                                    |                              |                          |  |                                 |                             |                    |
| STATEWIDE CATCH TOTAL (LBS.)..           |                              |                          |  |                                 |                             | 236,760,662        |
| TOTAL FUNDING.. (\$\$).....              |                              |                          | \$225,600.00                           | \$225,600.00                    | \$451,200.00                |                    |
| CHECK SUMS TOTAL.....                    | 35                           | 22,763                   | \$225,456.61                           | \$225,456.61                    | \$450,913.21                | 236,760,662        |
| BALANCE OUTSTANDING.....                 |                              |                          | \$143.39                               | \$143.39                        | \$286.79                    |                    |

# MEMORANDUM

## State of Alaska Community and Regional Affairs

TO: Rena Bukovich  
Legislative Aide to  
Adelheide Herrmann


DATE: March 18, 1988

FILE NO: 0194Q/JP/jp

TELEPHONE NO: 465-4750

THRU:

SUBJECT: Comparative Fish  
Tax Distributions

FROM: Jim Plasman   
Deputy Director  
Municipal and Regional  
Assistance Division

Attached please find a comparison of three different formulas for the proposed offshore fish tax sharing program.

Column A: The first reflects distributions under the formula used by the department as part of the pilot project conducted by the department pursuant to legislative intent in the FY 86 budget bill. This formula allocated funds to municipalities on the basis of their location within specific commercial fisheries management areas and the population increase in each municipality due to off shore fish processing. The distribution reflects the initial appropriation to the pilot project of about \$451,000.

Column B: This shows distributions under 2nd SSHB 314, a formula similar to the pilot project formula except that it utilizes municipal population rather than population increase. The distribution also reflects an appropriation to the program of \$4.5 million, which is the amount estimated for FY 89 under the funding provisions of both HB 314 and SB 454.

Column C: This shows distributions under the formula used for SB 454. It differs from 2nd SSHB 314 in that it uses management regions, rather than management areas. Regions consist of multiple areas. Like 2nd SSHB 314 it uses municipal population rather than the population increase uses in the pilot project. It also distributes \$4.5 million under the formula.

It should be noted that these distributions assume the findings under the pilot project. Actual distributions may be expected to differ because other municipalities may apply and be found eligible and some which applied may be found not to be eligible under the proposed legislation.

Attachment

cc: Marty Rutherford, MRAD  
Dan Backhorst, MRAD

file code: HB 314

- (A) - OFFSHORE FISHERIES TAX REFUND AS ADMINISTERED, 1987. (AREA POP. GROWTH)  
 (B) - OFFSHORE FISHERIES TAX REFUND BASED UPON (NET) AREA POPULATION,  
 (FUNDING @ \$4,500,000)  
 (C) - OFFSHORE FISHERIES TAX REFUND BASED UPON (NET) REGIONAL POPULATION,  
 W/ BRISTOL BAY INCLUDED IN WESTWARD REGION IV. (FUNDING @ \$4,500,000)

| COMM. FISH REGIONS<br>& AREA COMMUNITIES | PILOT PROJECT                      | BY AREA                            | BY REGION                          |
|--|------------------------------------|------------------------------------|------------------------------------|
|  | (A)<br>TOTAL<br>\$\$<br>ALLOCATION | (B)<br>TOTAL<br>\$\$<br>ALLOCATION | (C)<br>TOTAL<br>\$\$<br>ALLOCATION |
| REGION I: SOUTHEASTERN                   |                                    |                                    |                                    |
| AREA A - JUNEAU & YAKUTAT                |                                    |                                    |                                    |
| ANGOODN                                  | \$1,458.66                         | \$27,558.32                        | \$20,871.86                        |
| HAINES                                   | \$0.00                             | \$0.00                             | \$0.00                             |
| HAINES, BOROUGH OF                       | \$0.00                             | \$0.00                             | \$0.00                             |
| JUNEAU, CITY AND BOROUGH                 | \$0.00                             | \$0.00                             | \$0.00                             |
| SKAGWAY                                  | \$4,375.97                         | \$30,632.80                        | \$21,840.05                        |
| YAKUTAT                                  | \$0.00                             | \$0.00                             | \$0.00                             |
| AREA A - TOTAL.....                      | \$5,834.63                         | \$58,191.12                        | \$42,711.91                        |
| AREA B - KETCHIKAN                       |                                    |                                    |                                    |
| CRAIG                                    | \$4,310.54                         | \$33,088.29                        | \$24,257.32                        |
| HYDABURG                                 | \$0.00                             | \$0.00                             | \$0.00                             |
| KASAAN                                   | \$0.00                             | \$0.00                             | \$0.00                             |
| KETCHIKAN                                | \$10,656.56                        | \$103,132.95                       | \$70,724.00                        |
| KETCHIKAN, BOROUGH OF                    | \$2,186.70                         | \$28,236.30                        | \$52,405.34                        |
| KLAWOCK                                  | \$2,526.51                         | \$28,506.93                        | \$21,218.10                        |
| METLAKATLA                               | \$0.00                             | \$0.00                             | \$0.00                             |
| SAXMAN                                   | \$2,186.70                         | \$25,124.06                        | \$18,973.95                        |
| THORNE BAY                               | \$0.00                             | \$0.00                             | \$0.00                             |
| AREA B - TOTAL.....                      | \$21,867.01                        | \$218,088.53                       | \$187,578.71                       |
| AREA C - PETERSBURG/WRANGELL             |                                    |                                    |                                    |
| KAKE                                     | \$0.00                             | \$0.00                             | \$0.00                             |
| KUPREANOF                                | \$0.00                             | \$0.00                             | \$0.00                             |
| PETERSBURG                               | \$0.00                             | \$0.00                             | \$0.00                             |
| WRANGELL                                 | \$0.00                             | \$0.00                             | \$0.00                             |
| AREA C - TOTAL.....                      | \$0.00                             | \$0.00                             | \$0.00                             |
| AREA D - SITKA                           |                                    |                                    |                                    |
| HOONAH                                   | \$0.00                             | \$0.00                             | \$0.00                             |
| PELICAN                                  | \$1,060.48                         | \$10,605.81                        | \$18,140.41                        |
| PORT ALEXANDER                           | \$0.00                             | \$0.00                             | \$0.00                             |
| SITKA, BOROUGH OF                        | \$3,229.98                         | \$38,306.83                        | \$69,486.51                        |
| TENAKEE SPRINGS                          | \$1,646.73                         | \$10,301.40                        | \$17,576.17                        |
| AREA D - TOTAL.....                      | \$5,937.19                         | \$59,214.05                        | \$105,203.09                       |
| REGION I - TOTAL.....                    | \$33,638.84                        | \$335,493.70                       | \$335,493.70                       |

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| REGION II: CENTRAL            |              |                |              |
|-------------------------------|--------------|----------------|--------------|
| AREA E - PRINCE WILLIAM SOUND |              |                |              |
| CORDOVA                       | \$16,394.73  | \$131,680.08   | \$64,097.77  |
| VALDEZ                        | \$12,751.46  | \$159,006.60   | \$69,656.37  |
| WHITTIER                      | \$0.00       | \$0.00         | \$0.00       |
| AREA E - TOTAL.....           | \$29,146.18  | \$290,686.68   | \$133,754.14 |
|                               |              |                |              |
| AREA H - COOK INLET           |              |                |              |
| ANCHORAGE, MUNICIPALITY OF    | \$0.00       | \$0.00         | \$0.00       |
| ANDERSON                      | \$0.00       | \$0.00         | \$0.00       |
| HOMER                         | \$0.00       | \$0.00         | \$0.00       |
| HOUSTON                       | \$0.00       | \$0.00         | \$0.00       |
| KACHEMAK                      | \$0.00       | \$0.00         | \$0.00       |
| KENAI PENINSULA BOROUGH       | \$2,193.94   | \$21,881.05    | \$178,813.59 |
| KENAI                         | \$0.00       | \$0.00         | \$0.00       |
| MATANUSKA-SUSITNA BOROUGH     | \$0.00       | \$0.00         | \$0.00       |
| PALMER                        | \$0.00       | \$0.00         | \$0.00       |
| SELDOVIA                      | \$0.00       | \$0.00         | \$0.00       |
| SEWARD                        | \$0.00       | \$0.00         | \$0.00       |
| SOLDATNA                      | \$0.00       | \$0.00         | \$0.00       |
| WASILLA                       | \$0.00       | \$0.00         | \$0.00       |
| AREA H - TOTAL.....           | \$2,193.94   | \$21,881.05    | \$178,813.59 |
|                               |              |                |              |
| AREA T - BRISTOL BAY          |              |                |              |
| ALEKNAGIK                     | \$0.00       | \$0.00         | \$0.00       |
| BRISTOL BAY BOROUGH           | \$24,329.34  | \$448,778.27   | \$215,140.90 |
| CLARK'S POINT                 | \$25,078.40  | \$216,666.70   | \$118,248.18 |
| DILLINGHAM                    | \$37,353.32  | \$620,669.46   | \$286,895.21 |
| EKWOK                         | \$0.00       | \$0.00         | \$0.00       |
| MANDKOTAK                     | \$0.00       | \$0.00         | \$0.00       |
| NEW STUYAHOK                  | \$0.00       | \$0.00         | \$0.00       |
| NEWHALEN                      | \$0.00       | \$0.00         | \$0.00       |
| NONDALTON                     | \$0.00       | \$0.00         | \$0.00       |
| TOGIAK                        | \$74,528.43  | \$322,490.87   | \$162,423.45 |
| AREA T - TOTAL.....           | \$161,289.49 | \$1,608,605.30 | \$782,707.74 |
| REGION II - TOTAL.....        | \$192,629.62 | \$1,921,173.02 | \$312,567.73 |

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| REGION III: A-Y-K  |        |        |        |
|--------------------|--------|--------|--------|
| AREA W - KUSKOKWIM |        |        |        |
| AKIACHUK           | \$0.00 | \$0.00 | \$0.00 |
| AKIAK              | \$0.00 | \$0.00 | \$0.00 |
| ANIAK              | \$0.00 | \$0.00 | \$0.00 |
| ATMAUTLUAK         | \$0.00 | \$0.00 | \$0.00 |
| BETHEL             | \$0.00 | \$0.00 | \$0.00 |
| CHEFORNAK          | \$0.00 | \$0.00 | \$0.00 |

|                        |            |             |             |
|------------------------|------------|-------------|-------------|
| CHUATHBALUK            | \$0.00     | \$0.00      | \$0.00      |
| EEK                    | \$0.00     | \$0.00      | \$0.00      |
| GOODNEWS BAY           | \$0.00     | \$0.00      | \$0.00      |
| KASIGLUK               | \$0.00     | \$0.00      | \$0.00      |
| KWETHLUK               | \$0.00     | \$0.00      | \$0.00      |
| LOWER KALSKAG          | \$0.00     | \$0.00      | \$0.00      |
| MEKORYUK               | \$0.00     | \$0.00      | \$0.00      |
| NAPAKIAK               | \$0.00     | \$0.00      | \$0.00      |
| NAPASKIAK              | \$0.00     | \$0.00      | \$0.00      |
| NEWTOK                 | \$0.00     | \$0.00      | \$0.00      |
| NIGHTMUTE              | \$0.00     | \$0.00      | \$0.00      |
| NIKOLAI                | \$0.00     | \$0.00      | \$0.00      |
| NUNAPITCHUK (AKOLMIUT) | \$0.00     | \$0.00      | \$0.00      |
| PLATINUM               | \$0.00     | \$0.00      | \$0.00      |
| QUINHAGAK              | \$2,615.54 | \$32,453.50 | \$47,438.37 |
| TOKSOOK BAY            | \$3,644.96 | \$29,985.00 | \$43,860.11 |
| TULUKSAK               | \$0.00     | \$0.00      | \$0.00      |
| TUNUNAK                | \$0.00     | \$0.00      | \$0.00      |
| UPPER KALSKAG          | \$0.00     | \$0.00      | \$0.00      |

|                     |            |             |             |
|---------------------|------------|-------------|-------------|
| AREA W - TOTAL..... | \$6,260.50 | \$62,438.49 | \$91,298.48 |
|---------------------|------------|-------------|-------------|

AREA X - KOTZERUE

|                          |        |        |        |
|--------------------------|--------|--------|--------|
| AMBLER                   | \$0.00 | \$0.00 | \$0.00 |
| ANAKTUVUK PASS           | \$0.00 | \$0.00 | \$0.00 |
| ATQASUK                  | \$0.00 | \$0.00 | \$0.00 |
| BARROW                   | \$0.00 | \$0.00 | \$0.00 |
| BUCKLAND                 | \$0.00 | \$0.00 | \$0.00 |
| DEERING                  | \$0.00 | \$0.00 | \$0.00 |
| KAKTOVIK                 | \$0.00 | \$0.00 | \$0.00 |
| KIANA                    | \$0.00 | \$0.00 | \$0.00 |
| KIVALINA                 | \$0.00 | \$0.00 | \$0.00 |
| KOTZERUE                 | \$0.00 | \$0.00 | \$0.00 |
| NOORVIK                  | \$0.00 | \$0.00 | \$0.00 |
| NORTH SLOPE BOROUGH      | \$0.00 | \$0.00 | \$0.00 |
| NORTHWEST ARCTIC BOROUGH | \$0.00 | \$0.00 | \$0.00 |
| NUIQSUT                  | \$0.00 | \$0.00 | \$0.00 |
| POINT HOPE               | \$0.00 | \$0.00 | \$0.00 |
| SELAWIK                  | \$0.00 | \$0.00 | \$0.00 |
| SHISHMAREF               | \$0.00 | \$0.00 | \$0.00 |
| SHUNGNAK                 | \$0.00 | \$0.00 | \$0.00 |
| WAINWRIGHT               | \$0.00 | \$0.00 | \$0.00 |

|                     |        |        |        |
|---------------------|--------|--------|--------|
| AREA X - TOTAL..... | \$0.00 | \$0.00 | \$0.00 |
|---------------------|--------|--------|--------|

AREA Y - YUKON

|                          |            |             |             |
|--------------------------|------------|-------------|-------------|
| ALAKANUK                 | \$0.00     | \$0.00      | \$0.00      |
| CHEVAK                   | \$0.00     | \$0.00      | \$0.00      |
| EMMONAK                  | \$8,954.24 | \$89,304.25 | \$56,752.40 |
| FORTUNA LEDGE (MARSHALL) | \$0.00     | \$0.00      | \$0.00      |
| HOLY CROSS               | \$0.00     | \$0.00      | \$0.00      |
| HOOPER BAY               | \$0.00     | \$0.00      | \$0.00      |

|                  |        |        |        |
|------------------|--------|--------|--------|
| KOTLIK           | \$0.00 | \$0.00 | \$0.00 |
| MOUNTAIN VILLAGE | \$0.00 | \$0.00 | \$0.00 |
| PILOT STATION    | \$0.00 | \$0.00 | \$0.00 |
| RUSSIAN MISSION  | \$0.00 | \$0.00 | \$0.00 |
| SAINT MARY'S     | \$0.00 | \$0.00 | \$0.00 |
| SCAMMON BAY      | \$0.00 | \$0.00 | \$0.00 |
| SHELDON POINT    | \$0.00 | \$0.00 | \$0.00 |

|                     |            |             |             |
|---------------------|------------|-------------|-------------|
| AREA Y - TOTAL..... | \$8,954.24 | \$89,304.25 | \$56,752.40 |
|---------------------|------------|-------------|-------------|

AREA Z - NORTON SOUND

|                |            |             |             |
|----------------|------------|-------------|-------------|
| BREVIG MISSION | \$0.00     | \$0.00      | \$0.00      |
| ELIM           | \$0.00     | \$0.00      | \$0.00      |
| GOLOVIN        | \$2,843.50 | \$28,231.33 | \$30,125.87 |
| KOYUK          | \$2,113.56 | \$31,942.58 | \$33,651.51 |
| NOME           | \$0.00     | \$0.00      | \$0.00      |
| SAINT MICHAEL  | \$0.00     | \$0.00      | \$0.00      |
| SHAKTOULIK     | \$0.00     | \$0.00      | \$0.00      |
| STEBBINS       | \$0.00     | \$0.00      | \$0.00      |
| TELLER         | \$0.00     | \$0.00      | \$0.00      |
| UNALAKLEET     | \$7,528.20 | \$64,346.75 | \$64,435.15 |
| WALES          | \$0.00     | \$0.00      | \$0.00      |
| WHITE MOUNTAIN | \$0.00     | \$0.00      | \$0.00      |

|                     |             |              |              |
|---------------------|-------------|--------------|--------------|
| AREA Z - TOTAL..... | \$12,485.27 | \$124,520.66 | \$128,212.53 |
|---------------------|-------------|--------------|--------------|

|                         |             |              |              |
|-------------------------|-------------|--------------|--------------|
| REGION III - TOTAL..... | \$27,700.01 | \$276,263.41 | \$276,263.41 |
|-------------------------|-------------|--------------|--------------|

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REGION IV: WESTERN

AREA K - KODIAK

|                       |            |             |              |
|-----------------------|------------|-------------|--------------|
| AKHIOK                | \$0.00     | \$0.00      | \$0.00       |
| KODIAK                | \$3,926.71 | \$60,489.97 | \$654,208.95 |
| KODIAK ISLAND BOROUGH | \$7,633.62 | \$56,574.38 | \$604,908.37 |
| LARSEN BAY            | \$1,745.20 | \$18,794.81 | \$129,230.98 |
| OLD HARBOR            | \$0.00     | \$0.00      | \$0.00       |
| OUZINKIE              | \$1,745.20 | \$18,911.11 | \$130,695.35 |
| PORT LIONS            | \$2,401.29 | \$19,285.87 | \$135,413.89 |

|                     |             |              |                |
|---------------------|-------------|--------------|----------------|
| AREA K - TOTAL..... | \$17,452.03 | \$174,056.13 | \$1,654,457.54 |
|---------------------|-------------|--------------|----------------|

AREA L - CHIGNIK

|         |            |             |              |
|---------|------------|-------------|--------------|
| CHIGNIK | \$2,277.98 | \$22,719.24 | \$122,478.59 |
|---------|------------|-------------|--------------|

|                     |            |             |              |
|---------------------|------------|-------------|--------------|
| AREA L - TOTAL..... | \$2,277.98 | \$22,719.24 | \$122,478.59 |
|---------------------|------------|-------------|--------------|

AREA M - ALASKA PENINSULA

|             |             |              |              |
|-------------|-------------|--------------|--------------|
| COLD BAY    | \$0.00      | \$0.00       | \$0.00       |
| KING COVE   | \$9,730.37  | \$90,118.64  | \$156,647.31 |
| PORT HEIDEN | \$5,582.25  | \$51,326.97  | \$119,387.13 |
| SAND POINT  | \$10,775.98 | \$118,746.56 | \$184,144.99 |

|                             |              |                |                |
|-----------------------------|--------------|----------------|----------------|
| AREA M - TOTAL.....         | \$26,088.60  | \$260,192.18   | \$460,179.44   |
| AREA R&D - ALEUTIANS        |              |                |                |
| AKUTAN                      | \$0.00       | \$0.00         | \$0.00         |
| UNALASKA/DUTCH HARBOR       | \$50,166.59  | \$500,331.69   | \$268,102.42   |
| AREA R&D - TOTAL.....       | \$50,166.59  | \$500,331.69   | \$268,102.42   |
| AREA Q - BERING SEA         |              |                |                |
| SAINT PAUL                  | \$25,311.58  | \$632,704.37   | \$160,145.53   |
| SAINT GEORGE                | \$75,934.75  | \$377,066.24   | \$127,603.90   |
| AREA Q - TOTAL.....         | \$101,246.33 | \$1,009,770.62 | \$287,749.43   |
| REGION IV - TOTAL.....      | \$197,231.54 | \$1,967,069.86 | \$3,575,675.16 |
| -----                       |              |                |                |
| TOTAL FUNDING.. (\$\$)..... | \$451,200.00 | \$4,500,000.00 | \$4,500,000.00 |

# ALEUTIANS EAST BOROUGH

SERVING THE COMMUNITIES OF

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

March 14, 1988

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

RE: SB 454

Dear Senator Zharoff:

The City of King Cove supports the adoption of SS ~~SB 314~~ <sup>SB 454</sup>, an act relating to the allocation of fisheries business taxes to municipalities. The bill establishes a concrete program which the State can use to share taxes collected from the offshore processing industry with affected municipalities. King Cove directly benefited from the State's FY 87 pilot program on these taxes, and would like to continue receiving revenues from this source. The City uses the revenues to help pay the increased costs the City incurred to provide additional public services needed to mitigate the negative impacts from offshore fishing industry activities.

The City also advocates adopting a suggested change to use fish management regions, rather than areas, to determine the amount of monies each affected municipality receives. Implementation of the pilot program unearthed gross inequities in impact monies respective communities received when fish management areas were used to determine each municipality's share. The use of management regions should mostly correct this problem and provide a better and fairer system for determining the amount of monies a community will receive for the amount of impact experienced.

The City supports the institutionalization of the fish tax pilot project that will occur through SS ~~SB 314~~ <sup>SB 454</sup>. We hope the bill is adopted and that the legislature also allocates the revenues needed to implement the program for FY 89.

Sincerely,

*Wayne Marshall*      *Robert S. Juettner*      *Lamar Cotten*

Wayne Marshall  
City Manager  
King Cove

Robert S. Juettner  
City Administrator  
Sand Point

Lamar Cotten  
Borough Administrator  
Aleutians East Borough

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

SB

468

BILL: SB 468

NAME:

TITLE: "An Act establishing the Ernie Haugen Public Use Area; and providing for an effective date."

PRIME SPONSOR: JONES

CO-SPONSOR: KELLY, HALFORD, STURGULEWSKI, ABOOD, ELIASON

CURRENT STATUS: (S) RES  
THEN FIN

STATUS DATE: 02/29/88

Selection=>

|        |     |      |      |      |                        |     |     |     |       |      |      |  |
|--------|-----|------|------|------|------------------------|-----|-----|-----|-------|------|------|--|
| PF1    | PF2 | PF3  | PF4  | PF5  | PF6                    | PF7 | PF8 | PF9 | PF10  | PF11 | PF12 |  |
| HELP   |     | EXIT | MENU | TEXT | PRINT                  | BWD | FWD |     | FIRST | LAST | QUIT |  |
| SB 468 |     |      |      |      | Bill/Resolution Action |     |     |     |       |      |      |  |

Current Status: (S) RES

Page 2 of 2

|   | Jrn-Date | Jrn-Pg |     | Action                            |
|---|----------|--------|-----|-----------------------------------|
| 1 | 02/16/88 | 2283   | (S) | READ THE FIRST TIME - REFERRAL(S) |
| 2 | 02/16/88 | 2283   | (S) | CRA, THEN RESOURCES               |
| 3 | 02/25/88 | 2423   | (S) | FIN REFERRAL ADDED                |
| 4 | 02/29/88 | 2445   | (S) | CRA RPT CS 4DP 1NR                |
| 5 | 02/29/88 | 2445   | (S) | FISCAL NOTE PUBLISHED             |
| 6 | 02/29/88 | 2445   | (S) | REFERRED TO RESOURCES             |

Selection=>

|      |     |      |      |      |       |     |     |     |       |      |      |
|------|-----|------|------|------|-------|-----|-----|-----|-------|------|------|
| PF1  | PF2 | PF3  | PF4  | PF5  | PF6   | PF7 | PF8 | PF9 | PF10  | PF11 | PF12 |
| HELP |     | EXIT | MENU | TEXT | PRINT | BWD | FWD |     | FIRST | LAST | QUIT |

# STATE OF ALASKA

STEVE COWPER, GOVERNOR

## DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

400 WILLOUGHBY AVE.  
JUNEAU, ALASKA 99801-1796  
PHONE: (907) 465-2400

February 23, 1988

The Honorable Arliss Sturgulewski  
Senate Community & Regional Affairs  
Alaska State Legislature  
P.O. Box V  
Juneau, Alaska 99811

Dear Senator Sturgulewski:

Subject: SB 468 establishing the Ernie Haugen Public Use Area.

Position: The Department supports this bill. However, there is a concern regarding the implementation of the plan and the operation and maintenance of the site as a public use area.

Fiscal note provides for immediate contract with a private design firm to develop a land use/development plan for the area. The second year the fiscal note provides for plan implementation - signs, trails, facilities, and maintenance. The third year and beyond provides for site operation and maintenance.

Background: This area was identified as important to the local community during the University Settlement proceedings and was therefore left out of the transfer.

Recommendation: The Department recommends the following language changes:

Page 2, line 5 insert the word "donation" after exchange;

Page 2, line 13 insert the words "or through" after access to;

Page 3, line 22 insert the words "and other public utilities" after facilities.

Page 3, line 20 insert after roads "expansion of the existing boat launching ramp and related parking"

Page 3, line 6 delete "W1/2" and replace with "W1/2W1/2, SW1/4SE1/4NW1/4, W1/2/SW1/4". This will delete the overlap with the University Settlement.