

ALASKA LEGISLATURE COMMITTEE FILES, 1989-1990
6058 HOUSE RESOURCES

8672

4602

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Dept. of Fish and Game
 Title: An Act establishing the Willow Mountain Critical Habitat Area BRU: Habitat
 Sponsor: Kerttula Components: _____
 Requestor: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES	0					
TRAVEL	0					
CONTRACTUAL	0					
SUPPLIES	0					
EQUIPMENT	0					
LAND & STRUCTURES	0					
GRANTS, CLAIMS	0					
MISCELLANEOUS	0					
TOTAL OPERATING	0					

CAPITAL	0					
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REVENUE	0					
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FUNDING: (Thousands of Dollars)

GENERAL FUND	0					
FEDERAL FUNDS	0					
OTHER	0					
TOTAL	0					

POSITIONS:

FULL-TIME	0					
PART-TIME	0					
TEMPORARY	0					

ANALYSIS : (Attach a separate page if necessary)

Prepared by Frank Rue, Director Phone: 465-4105
 Division: Habitat Date: 1/24/89
 Approved by Commissioner Orin Callensworth Date: 2.2.89
 Agency: Department of Fish and Game

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

STATE OF ALASKA
1989 LEGISLATIVE SESSION

BILL VERSION: SB 33 (c)
PUBLISH DATE: 3/20/89

FISCAL NOTE

REQUEST: _____

REVISION DATE: _____
TITLE: Willow Mountain Critical
Habitat Area

AGENCY: All Departments
BRU: _____

SPONSOR: Sen. Kerttula
REQUESTOR: Senate Finance

COMPONENTS: _____

EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERS. SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND/BUILD.	0	0	0	0	0	0
GRANTS/CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (THOUSANDS OF DOLLARS)

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

POSITIONS:

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

ANALYSIS:

PREPARED BY: _____


SENATOR RICK UEHLING, CO-CHAIRMAN
SENATE FINANCE COMMITTEE

DATE: March 20, 1989
PHONE NO.: 465-4821

Proposed Willow Mountain Critical Habitat Area
Background Information

Location: The proposed Willow Mountain Critical Habitat Area is located on the western slopes of Willow Mountain between Willow Creek and the Kashwitna River in Southcentral Alaska approximately 10 miles northwest of Hatcher Pass and 10 miles northeast of Willow.

Area Description: Located along the western slopes of Willow Mountain, the area ranges in elevation from 1000 to 2600 feet. The area is vegetated with mixed stands of birch, white spruce, cottonwood, and aspen which grade into willow and alder at higher elevations. Extensive grasslands cover the ridge-tops and intermix with the willow/alder stands. Wetland communities of black spruce are scattered throughout. The unusually extensive stands of willow provide vegetative cover and browse attractive to moose.

Justification: Willow Mountain supports unusually large concentrations of moose in late fall and early winter. The area contains some of the highest quality moose habitat in the lower Susitna River Valley. High quality browse, shallow snow cover, and other habitat characteristics provide moose with essential habitat. The seasonal density of moose in this area is one of the highest in the state. At present moose populations in the area are estimated to number well over 1000 animals and with maintenance of habitat and enhancement of adjacent areas, could further increase. Large numbers of moose are also known to utilize the mountain slopes during summer and early fall. Maintaining habitat on Willow Mountain, including the proposed critical habitat area, is key to sustaining the integrity of the area's moose populations.

Land Status: The proposed critical habitat area encompasses 22,720 acres and is composed entirely of state and state selected land. There are 5,120 acres of state selected land in the northern end of the proposed critical habitat area. There is no mental health land within the boundaries of this area.

Current Uses: The area is used year-round for a variety of wildlife oriented activities. Moose hunting is the primary activity with moose hunters coming primarily from the Anchorage or Palmer/Wasilla and Willow areas. Willow Mountain receives intensive moose hunting effort by ORV. Trapping is also an important use of the area.

Important furbearers include mink, weasel, beaver, coyote, lynx, and otter. All three species of ptarmigan are hunted in the winter. It is also a popular snowmachining area due to the extensive stretches of wide open terrain. Dog mushing and cross country skiing also occur in the area.

Public Access: Presently, public access into the Willow Mountain area is gained via the "Peters-Purches Creek" trail. It is used primarily by moose hunters in the fall and ptarmigan hunters, recreational snow machiners and fur trappers during the winter. The trail begins near MP 14 of the Hatcher Pass Road at the north end of the bridge over Willow Creek and terminates near timberline on the south side of Willow Mountain. The trail traverses numerous swampy areas, requiring either track vehicles or ATV's with low pressure tires. A new bridge and road is planned for construction (spring 1987) across Willow Creek at approximately MP 5 of the Hatcher Pass Road and will create additional access to Willow Mountain in the future.

Other Natural Resources: The Willow Mountain plateau has low mineral potential. Portions of four placer mining claims are located in the southeastern corner of the area, (T20N, R2W, Section 19, Seward Meridian) near Peters Creek.

Currently no grazing occurs in the area. Potential grazing lands within the area have been identified, however, a majority of the potential rangeland is interspersed with an abundance of standing water and boggy areas which limits its use for grazing purposes. Provisions of the Hatcher Pass Management Plan reserve development of the grazing potential within the Willow Mountain Unit until existing grazing resources are utilized within the eastern portion of Hatcher Pass.

The Hatcher Pass Management Plan identifies a dense stand of white spruce on the western slopes of Willow Mountain below 1000 feet as the only significant forestry potential in the vicinity.

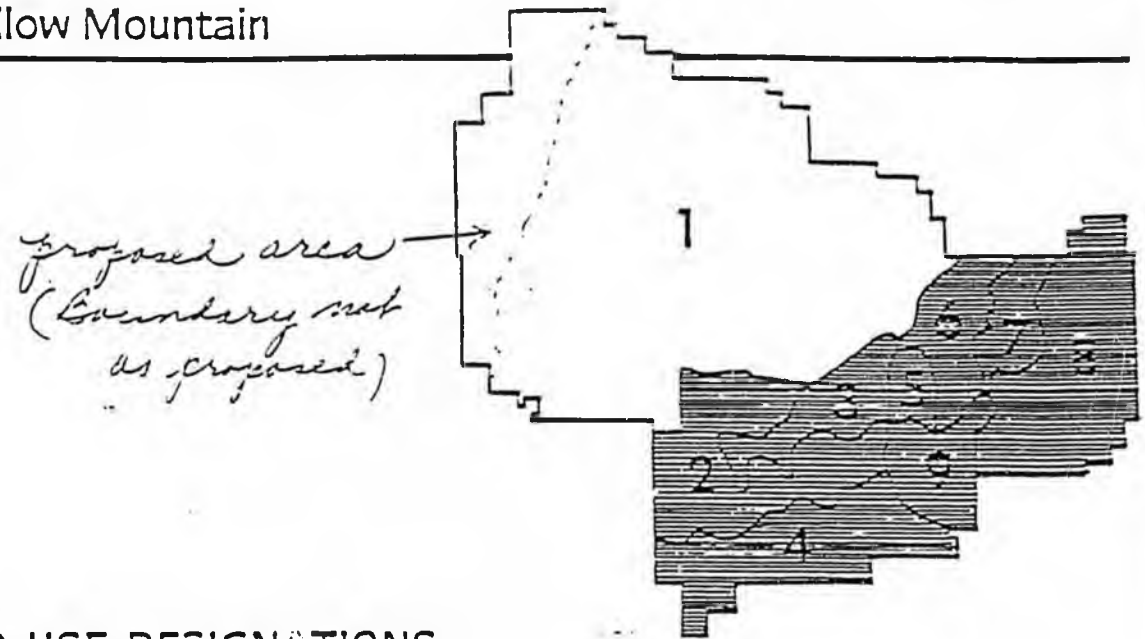
Area's History: Because the area has had limited public access to date, and few attractions other than moose, it has received relatively little impact from human use. High densities of moose have been the primary inhabitants of the area, which in turn attracted hunters beginning in the early 1950's. Hunters, trappers, and more recently, recreational snow machiners, have been the primary users of the Willow Mountain area.

Threats: Recent plans to bridge Willow Creek and extend a road into the Kashwitna management unit (adjacent to the proposed critical habitat area) for the purpose of a timber sale will alter the undisturbed nature of Willow Mountain's critical moose habitat. Development of road access into this area threatens its integrity with new land use activities. Improved road access may mean an increase in snowmachine use within the area which could result in significant disturbance and additional stress to moose populations during already stressful seasons. Increases in motorized vehicle use impact habitats, wildlife distribution, and the quality of the outdoor experience, particularly hunting. Although settlement is not allowed in this area in the Hatcher Pass Management Plan, the potential for settlement activity in the area is raised by development of road access.

Support and Opposition: The Matanuska-Susitna Borough Assembly has sent a letter (dated February 5, 1987) to legislators requesting the establishment of the Willow Mountain Critical Habitat Area. The October 1986 Hatcher Pass Management Plan documents several groups in support of critical habitat area designation: the Wildlife Federation of Alaska; the Alaska Chapter of the Wildlife Society; the Alaska Center for the Environment; and several individual citizens. The Alaska Frontier Trappers Association is also on record as supporting protection of the critical habitat in this area. In the October 1986 Hatcher Pass Management Plan the Department of Natural Resources endorsed legislative designation of the area for the purpose of protecting moose habitat.

There is no known group opposition to this proposal.

I. Willow Mountain



A. LAND USE DESIGNATIONS

- Primary Uses: Fish and Wildlife Habitat. Recreation
- Secondary Uses: Grazing (see Map 11 for location)
- Prohibited Uses: Settlement. Remote Cabin Permits. Commercial Recreation Development. Grazing outside designated areas (see Map 3, pages 116/117)
- Mining: Open

B. BACKGROUND

The rugged peaks of the Talkeetna Mountains end in a gently sloped plateau known as Willow Mountain in this subunit. Peters, Furnes and Little Willow Creeks flow out of steep-walled mountain valleys to the north and south of the Willow Mountain plateau. The lowlands portions of the subunit contain many swampy areas that make access difficult.

Willow Mountain is an important moose habitat area. Year-round populations between 1,500 and 2,000 moose occur in western portions of this unit and are among the highest in the Susitna Basin. Willow Mountain provides winter and summer moose habitat that supports breeding and calving activities. This is an important moose hunting area due to its relative accessibility to urban areas and an abundance of moose. The alpine zone (above 2,800 feet in elevation) is good bear, sheep, and caribou habitat, and brown and black bear are often seen in these areas. Furbearing animals are also common and trapping is an important use of the area. Black bear and ptarmigan hunting are popular as well.

WILLOW MOUNTAIN

Extensive placer claims occur along Peters and Purores Creeks; mineral potential in the eastern mountainous portion is high. However, the Willow Mountain plateau has low mineral potential.

The Willow Mountain subunit contains a significant portion of the potential range resources within the management unit. However, many portions of the Willow Mountain plateau where most of the grazing resources occur in the subunit has boggy and standing water areas, and access is difficult.

Currently, there are no roads to this subunit. Motorized access is by aircraft, snowmachine or all terrain vehicle. This is a popular snowmachining area due to extensive, wide-open terrain. A cabin built by the Mat-Su Motor Mushers and used by the public is located on the southeast corner of the Willow Mountain plateau. Dog mushing also occurs in some areas. Views of the Susitna Valley and Alaska Range from Willow Mountain are spectacular. Wilderness foot travel occurs in the steep eastern portions. Bogs, brush, wetlands and creeks limit summer and fall access in the lowlands portions of this subunit. Extensive CRV trails occur in the wetlands in the southwest corner of the subunit. The Peters-Purores trail which goes over Lucky Shot Ridge receives its heaviest use during moose hunting season. However, erosion and trail widening is occurring in the steep portions and in bogs along the existing trail alignment.

There is high forestry potential on the western edge below 1000 feet where a dense white spruce forest occurs. Access for forestry to the proposed Kashwitna State Forest area west of Willow Mountain is planned in the near future.

C. MANAGEMENT INTENT

The Willow Mountain subunit will be managed primarily to maintain its exceptional wildlife productivity and to continue to provide opportunities for hunting, trapping and other dispersed recreational activities to meet existing and future demand. The entire subunit is open to mineral entry.

The management intent includes reserving the portion to utilize existing grass forage resources for future grazing; however, the priority is to utilize the grasslands in the Hillside and Little Susitna subunits prior to those in the Willow Mountain subunit. In the interim, research should be conducted to determine whether grazing can take place without major adverse impact to wildlife habitat.

Forestry is an allowed use in the western perimeter of the subunit. The intent is that any forestry operations will be limited to disease control or habitat enhancement as defined by ADF&G and compatible with scenic views from the ridge above.

Motorized access is an important use for hunting, trapping, and general recreation. The intent is for these uses to continue. The management intent is to limit summer/fall use to designated trails to minimize erosion and trailmaking. An exception will be to allow retrieval of

downed big game animals. This policy will be put into effect after working with users to clearly map and sign designated trails. No highway vehicles will be allowed in the Willow Mountain Subunit (unless authorized as part of a mineral development). New trails may be established within the subunit and designated for a specific use, such as for dog mushing, ATV and snowmachine use.

D. PLANNED ACTIONS

1. HABITAT DESIGNATION

The moose concentration area on the west slope of Willow Mountain is proposed for legislative designation to ensure long term retention in public ownership and management for its wildlife values (see Map 11). ACF&G originally proposed that the plan recommend that the entire subunit be legislatively designated as a Critical Habitat Area and a portion closed to mineral entry. However, the planning team was unable to agree on this. See Appendix X for further explanation.

2. TRAIL REPAIR

Where erosion and extensive trail making in boggy areas is occurring, DNR and ACF&G should work with users to reduce trail damage, establish trail erosion prevention measures and do minimal trail improvements to maintain motorized access opportunities.

3. SNOWMACHINE USE AND MOOSE

If there is documentation that snow machine use is adversely affecting overwintering moose in certain areas, seasonal closures in these key areas may be established.

4. MOTORIZED USE MANAGEMENT POLICY

A special use area will be established for off-road vehicle use. When there is insufficient snow cover to protect the soil and vegetation from cutting and erosion, motorized use will occur on designated trails only by non-highway vehicles. An exception will be to allow retrieval of big game. This policy will be put into effect once DNR and ADF&G work with users to map and designate a trail system. See Chapter Three, ORV Management Guidelines, page 160, for more information.



**WILDLIFE
FEDERATION
OF ALASKA**

The Alaska Affiliate of the
National Wildlife Federation

3A

June 9, 1986

Ms. Margaret J. Hayes
Regional Manager
Dept. of Natural Resources
Box 7-005
3601 C Street
Anchorage, Alaska 99510-7005

Dear Ms. Hayes:

The Wildlife Federation of Alaska (WFA) has reviewed the Draft Hatcher Pass Management Plan and we conclude that skiers, hikers, off-road vehicle operators, miners and farmers have been accommodated by the plan. However, it appears that, although critical moose habitat has been identified in the Willow Mountain area, adequate measures for its management and protection have not been suggested. A majority of the more than 8000 members of the National Wildlife Federation in Alaska are hunters and are very interested in retaining moose production and high quality habitat in the Willow Mountain area.

The western portion of the Willow Mountain area has low mining potential as you have stated in your plan. Also, there is no history of domestic livestock grazing in the area. However, this area has had a steady increase in hunting activity in recent years. Off-road vehicle activity has resulted in unacceptable habitat loss. Therefore, WFA recommends that in the western Willow Mountain area (including T22N, R2W, Section 19, 20, 21, 22, 27, 28, 29, 30, 31, 32, 33, 34; T21N, R2W Sections 3, 4, 5, 6, 7, 8, 9, 10, 15, 16, 17, 18, 19, 20, 21, 22, 27, 28, 29, 30, 31, 32, 33, 34; T21N, R3W, Sections 1, 11, 12, 13, 14, 23, 24, 25, 26, 35, 36; T20N, R2W, Sections 3, 4, 5, 6, 7, 8, 9, 17, 18, 19, 30, 31; T20N, R3W, Sections 1, 2, 11, 12, 13, 14, 23, 24, 25) the following items become part of the management plan:

- Classify the area ~~to~~ as critical moose habitat.
- Close the area to land disposal.
- Close the area to new mineral entry.
- Limit forestry operations to forest disease control and wildlife habitat enhancement.

- Close the area to grazing

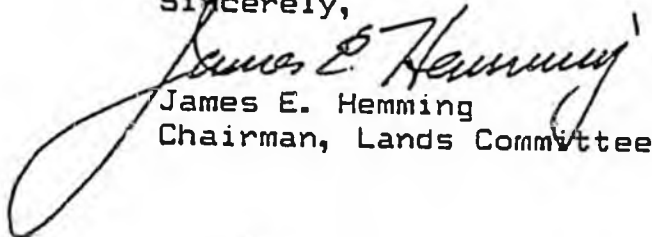
Dames & Moore
5623366. - Jim
Hemming

- Restrict access to moose hunting areas during the snow-free period to designated, clearly marked trails. After six inches or more snow has accumulated, allow the entire area to be used by off-road vehicles for moose hunting consistent with Alaska Board of Game hunting regulations.
- Prohibit any new trail development above timberline.
- Provide a dedicated public access corridor from the Willow Mountain critical moose habitat area to the Hatcher Pass road.

We appreciate all of the planning and coordination that has been accomplished by the Alaska Dept. of Natural Resources on the Hatcher Pass Management Plan. We hope that our comments are useful to you and we look forward to seeing our recommendations incorporated in the plan. Please call me at 562-3366 if you have any questions on our proposals.

Thank you for the opportunity to comment.

Sincerely,


James E. Hemming
Chairman, Lands Committee

JEH:nbh

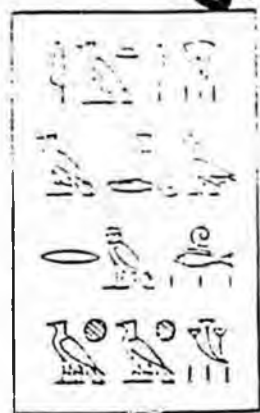
38

THE WILDLIFE SOCIETY

ALASKA CHAPTER

800 Fritz Cove Road
Juneau, Alaska 99801

JUN 11 1966



Margaret Hayes, Regional Manager
Alaska Department of Natural Resources
Division of Land and Water Management
Southcentral Region
3601 C Street
Box 7-005
Anchorage, AK 99510-7005

RECEIVED
JUN 12 1966
Southcentral
Regional Office
Dept. of Natural
Resources

Dear Ms. Hayes:

This is to transmit the recommendations of the Alaska chapter of The Wildlife Society with regard to the draft Hatcher Pass Management Plan.

Despite the lateness of our response I am hopeful that our recommendations will be given full consideration. I would have appreciated having more time to prepare a written response but certainly understand the need to complete the plan according to schedule.

The Wildlife Society is an international organization of wildlife professionals dedicated to the wise use of fish and wildlife resources. It is the Society's intent to provide the best possible scientific information and recommendations regarding the use, development and management of natural resources. In that context I would like to provide the following specific comments and recommendations on the draft plan:

(1) The Willow Mountain Planning Area is an extremely valuable area for moose and several other big game species. Moose population estimates for the area are in the 1,500 to 2,000 range—one of the densest moose concentrations anywhere in the state. The Government Peak and Hillside Planning Areas also contain large populations of moose, estimated to range from 500 to 700 animals. The importance of these areas can not be overstated given the increasing loss of similar habitat to development in the Matanuska - Susitna Valley. The recreational value of these areas to moose hunters is also important and is expected to increase given the dense concentrations of animals and the close proximity of the area to human population centers.

RECOMMENDATION-

The entire Willow Mountain Planning Area should be designated as a Game Refuge or Critical Habitat Area for moose, brown and black bear, and furbearers. The Department of Fish and Game should play a major role in managing development of the Government Peak and Hillside Planning Areas.

(2) The potential may exist for vastly enhancing portions of the Hatcher Pass Management Area for moose populations. This would serve to increase the recreational use of the area and also allow for the planned harvest of timber or other forest products. Such a harvest could be conducted in coordination with moose habitat enhancement efforts.

RECOMMENDATION-

The Department of Fish and Game should have the option to conduct habitat enhancement projects in the Hatcher Pass Management Area as deemed necessary by the Department.

(3) Harvest of moose in the Willow Mountain Planning Area will be greatly curtailed if motorized access is prohibited. This is primarily due to the fact that the location of harvest is often too remote from the existing road system to allow recovery of the animal without the aid of an off-road vehicle. Given the capacity of moose populations to fluctuate greatly in numbers depending on range conditions, weather and other factors it would be wise to retain the option of artificially reducing moose numbers through a controlled harvest. Such capacity would be impaired by a restriction on motorized access in the Willow Mountain Planning Area.

RECOMMENDATION-

Motorized access should be allowed for the the sole purpose of retrieving downed big game in the Willow Mountain Planning Area and elsewhere, as is deemed necessary by the Department of Fish and Game. Access outside the hunting season should not be allowed.

The Alaska Chapter of The Wildlife Society appreciates the opportunity to comment on the Draft Hatcher Pass Management Plan. If you have any questions on our recommendations please feel free to contact the Southcentral Alaska representative of The Wildlife Society (Jon Andrew) at 786-3437.

Sincerely

John Schoen, President

(for) Jonathan Andrew



ALASKA FRONTIER TRAPPERS ASSN.

P.O. BOX 2856

PALMER, ALASKA 99645 □ (907) 745-1860

376-7025

5 October 1985

Dear Sandra,

The Alaska Frontier Trappers Ass. would like to propose that all lands in the Hatcher Pass Management Plan that are 3000 feet elevation or lower and within the following: T19N,R1W T19N,R2W T19N,R1E T20N,R1W T20N,R2W T21N,R1W T21N,R2W T22N,R1W T22N,R2W; be designated as critical wildlife habitat. This area represents the major habitat area for moose and other wildlife left undeveloped in the lower Susitna Basin. Primary consideration should be for protection, and/or enhancement of the habitat area. This was also mentioned in the draft plan for the Willow Sub Basin (1981) in areas 1B, 15A, and 21.

Recreation values are high for both consumptive and non-consumptive users primarily due to its non-development. Most current uses are compatible within this environment. We feel that development of this area would not be compatible with wildlife habitat.

Lets maintain this area with its primary function as wildlife habitat. We also feel that Fish and Game should have primary control in decisions affecting this area. They have the needed expertise in Wildlife Management.

Michael Peryam

Director, A.F.T.A.





Matanuska-Susitna Borough

BOX B. PALMER, ALASKA 99645 • PHONE 745-4801

BOROUGH ASSEMBLY

February 5, 1987

Jan Faiks, Senate President
State of Alaska
Pouch 7
Juneau, AK 99811

RE: Willow Mountain Critical Habitat Area

Dear Senator Faiks:

The Matanuska-Susitna Borough Assembly voted unanimously on February 3, 1987 to approve and endorse legislation to create the Willow Mountain Critical Habitat Area (approximately 23,000 acres) and to express concern for ensuring that the management intent of the area stays in-tact as described in the Hatcher Pass Management Plan.

If you should have any questions or need further information, please feel free to contact my office.

Sincerely,

Dorothy A. Jones
Dorothy A. Jones, Mayor
Matanuska-Susitna Borough

DJ/cl
Enclosure

cc: Commissioner, Dept. of Fish. & Game
Senators Kerrtula & Szymanski
Representatives Larson & Menard
✓ Jack Didrickson 715-5015

15 ONLY PAKI

is a good estimate about timberline and into the

DRAFT

MOOSE SURVEY: PETERS CREEK TO LITTLE WILLOW CREEK (WILLOW MOUNTAIN, portion of GMU 14B)

DATE	LM	SM	FD	FI	F2	LC	Moose					YM	YF	Y%	SMYM	YF2	C/100F	LM/100F
							M	F	C	AD	TM							
04-Oct-85	1	0	2	1	0	0	1	3	1	4	5	20.0	60.0	20.0	0.0	0.0	33.3	33.3
17-Oct-85	13	0	83	26	0	0	13	109	26	122	148	8.8	73.6	17.6	0.0	0.0	23.9	11.9
08-Nov-85	56	5	158	20	2	0	61	180	24	241	265	23.0	67.9	9.1	8.2	9.1	13.3	31.1
18-Nov-85	59	22	160	12	1	0	81	173	14	254	268	30.2	64.6	5.2	27.2	7.7	8.1	34.1
03-Dec-85	53	17	184	27	1	1	70	212	30	282	312	22.4	67.9	9.6	24.3	3.6	14.2	25.0
28-Feb-86	0	0	147	7	1	0	0	155	9	155	164	0.0	94.5	5.5	0.0	12.5	5.8	0.0
31-Mar-86	0	0	111	5	0	0	0	116	5	116	121	0.0	95.9	4.1	0.0	0.0	4.3	0.0
17-Apr-86	0	2	51	3	0	0	2	54	3	56	59	3.4	91.5	5.1	100.0	0.0	5.6	0.0
26-Nov-86	91	17	195	87	5	0	108	287	97	395	492	22.0	58.3	19.7	15.7	5.4	33.8	31.7
24-Dec-86	4	2	35	1	0	0	6	36	1	42	43	14.0	83.7	2.3	33.3	0.0	2.8	11.1
15-Jan-87	0	0	7	4	0	0	0	11	4	11	15	0.0	73.3	26.7	0.0	0.0	36.4	0.0
02-Mar-87	0	0	8	3	0	1	0	11	4	15	15	0.0	73.3	26.7	0.0	0.0	36.4	0.0
02-Nov-87	66	17	146	30	2	1	83	178	35	261	296	28.0	60.1	11.8	20.5	6.3	19.7	37.1
17-Nov-87	67	24	131	27	0	1	91	158	28	249	277	32.9	57.0	10.1	26.4	0.0	17.7	42.4
04-Dec-87	41	19	123	25	0	0	60	148	25	208	233	25.8	63.5	10.7	31.7	0.0	16.9	27.7
21-Dec-87	18	7	107	9	0	0	25	116	9	141	150	16.7	77.3	6.0	28.0	0.0	7.8	15.5
12-Jan-88	0	0	48	6	0	0	0	54	6	54	60	0.0	90.0	10.0	0.0	0.0	11.1	0.0
28-Jan-88	0	0	45	3	0	1	0	48	4	48	52	0.0	92.3	7.7	0.0	0.0	8.3	0.0
27-Mar-88	0	0	28	6	0	0	0	34	6	34	40	0.0	85.0	15.0	0.0	0.0	17.6	0.0
13-Oct-88	36	6	109	20	1	0	42	130	22	172	194	21.6	67.0	11.3	14.3	4.8	16.9	27.7
28-Oct-88	72	42	213	62	1	1	114	276	65	390	455	25.1	60.7	14.3	36.8	1.6	23.6	26.1
15-Nov-88	61	29	163	37	1	0	90	201	39	291	330	27.3	60.9	11.8	32.2	2.6	19.4	30.3
05-Dec-88	24	11	39	14	1	0	35	54	16	89	105	33.3	51.4	15.2	31.4	6.7	29.6	44.4
23-Dec-88	5	4	47	16	0	0	9	63	16	72	88	10.2	71.6	18.2	44.4	0.0	25.4	7.9
15-Jan-89	1	0	41	5	0	1	1	46	6	47	53	1.9	86.8	11.3	0.0	0.0	13.0	2.2

1-18-89



STATE OF ALASKA
OFFICE OF THE GOVERNOR

BILL ANALYSIS

6

DEPARTMENT FISH & GAME	DIVISION Habitat	BILL NUMBER SB163	SPONSOR Senator Kerttula
DEPARTMENT POSITION FAVOR			
PREPARED BY HABITAT DIVISION	DATE 3/10/87	COMMISSIONER'S SIGNATURE <i>(None) Callina White</i>	DATE 3-17-87

SUMMARY

AGENCIES AFFECTED BY BILL Department of Natural Resources	CONSTITUENT GROUP(S) AFFECTED BY BILL Hunting, fishing, trapping, recreational interests, Palmer/Wasilla area residents
ORGANIZATIONAL SUPPORT FOR BILL Matanuska-Susitna Borough Department of Natural Resources Environmental Organizations	ORGANIZATIONAL OPPOSITION TO BILL None known

FISCAL IMPACT: NONE FISCAL NOTE ATTACHED

BACKGROUND/LEGISLATIVE INTENT
The purpose of establishing Willow Mountain Critical Habitat Area is to protect and preserve the habitat that is most crucial to the perpetuation of fish and wildlife populations, especially moose.

ANALYSIS OF BILL/PROGRAM EFFECTS
The bill establishes Willow Mountain Critical Habitat Area. It provides for the management of the area under the State Critical Habitat Area program. It establishes the purpose for which the area is to be managed and ensures protection of essential moose habitat.

AMENDMENTS PROPOSED

ALASKA DEPT. OF
FISH & GAME

MAR 20 1987

REGION IV
HABITAT DIVISION

CORRECTION

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



STATE OF ALASKA
OFFICE OF THE GOVERNOR
BILL ANALYSIS

DEPARTMENT: **FISH & GAME** DIVISION: **Habitat** BILL NUMBER: **SB163** SPONSOR: **Senator Karttula**

DEPARTMENT POSITION: **Favor**

PREPARED BY: **Habitat Division** DATE: **3/10/87** COMMISSIONER'S SIGNATURE: *(Signature)* DATE: **3-17-87**

SUMMARY

OTHER AGENCIES AFFECTED BY BILL: **DEPARTMENT of Natural Resources** CONSTITUENT GROUP(S) AFFECTED BY BILL: **Hunting, fishing, trapping, recreational interests, Palmer/Wasilla area residents**

ORGANIZATIONAL SUPPORT FOR BILL: **Matanuska-Susitna Borough, Department of Natural Resources, Environmental Organizations** ORGANIZATIONAL OPPOSITION TO BILL: **None known**

FISCAL IMPACT: NONE FISCAL NOTE ATTACHED

BACKGROUND/LEGISLATIVE INTENT:

The purpose of establishing Willow Mountain Critical Habitat Area is to protect and preserve the habitat that is most crucial to the perpetuation of fish and wildlife populations, especially moose.

ANALYSIS OF BILL PROGRAM EFFECTS:

The bill establishes Willow Mountain Critical Habitat Area. It provides for the management of the area under the State Critical Habitat Area program. It establishes the purpose for which the area is to be managed and ensures protection of essential moose habitat.

AMENDMENTS PROPOSED:

ALASKA DEPT. OF FISH & GAME
MAR 20 1987
REGION IV
HABITAT DIVISION

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

REQUEST: _____

Revision Date: _____

Title: An Act establishing the Willow Mountain Critical Habitat Area

Sponsor: Kerttula

Requestor: _____

Bill Version: SB163

Publish Date: 3/16/87

Agency Affected: Fish and Game

BRU: _____

Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES		0				
TRAVEL		0				
CONTRACTUAL		0				
SUPPLIES		0				
EQUIPMENT		0				
LAND & STRUCTURES		0				
GRANTS, CLAIMS		0				
MISCELLANEOUS		0				
TOTAL OPERATING		0				

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

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

FUNDING: (Thousands of Dollars)

GENERAL FUND		0				
FEDERAL FUNDS		0				
OTHER		0				
TOTAL		0				

POSITIONS:

FULL-TIME		0				
PART-TIME		0				
TEMPORARY		0				

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Bruce Baker Phone: 465-4105

Division: Habitat Date: 3/16/87

Approved by Commissioner: Gene Peltola Date: 3-17-87

Agency: Fish and Game

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

S B

42

HOUSE COMMITTEE REPORT

(9)

Date Referred: May 8, 1989

FURTHER REFERRALS:

Date of Committee Action: 5-8-89

The RESOURCES Committee considered:

CSSB 42(Fin)

CS FOR SENATE BILL NO. 42 (Finance)

[MARINE PARK SYSTEM ADDITIONS]

"An Act relating to state marine parks."

RECOMMENDATIONS:

- [] be replaced with _____ [] the same title
- [] have attached amendment(s) [] a new title
- [X] do pass
- [] do not pass
- [] no recommendation
- [] individual recommendations
- [] additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(s):
(Dept)

APPROVES PREVIOUS:

(Date/Dept)

- [] fiscal impact _____
- [] zero fiscal note _____
- [] zero with analysis _____

- [X] fiscal note(s) DNR 5-7-89
- [] zero fiscal note(s) _____
- [] zero fn/analysis _____

SIGNING TO PASS:

Cliff Davis
Cliff Davis
Richard Jones
Bill Adams

SIGNING:

(Check approp. column)

Do Not Pass No Rec Amend

	Do Not Pass	No Rec	Amend
<u>Richard Jones</u>		<input checked="" type="checkbox"/>	
<u>Bill Adams</u>		<input checked="" type="checkbox"/>	

Cliff Davis
 Chairman's Signature

S B

62

HOUSE COMMITTEE REPORT

(9)

Date Referred: February 23, 1989

FURTHER REFERRALS: FINANCE

Date of Committee Action: 4-4-89

The RESOURCES Committee considered:

SB 62

SENATE BILL NO. 62

[SALMON ENHANCEMENT TAX]

"An Act relating to a one percent salmon enhancement tax; and providing for an effective date."

RECOMMENDS:

- [] replacing with HCS SB 62 (RES) [] the same title
- [] the attached amendment(s) [] a new title
- [] do pass
- [] do not pass
- [] no recommendation
- [] individual recommendations
- [] additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):

- [] fiscal impact
- [] zer fiscal note
- [] zero with analysis

APPROVES PREVIOUS:

- [] fiscal note(s) published:
- [] zero fiscal notes(s) published:
2-6-89

SIGNING DO PASS:

Cliff Davidson
Scott Morrison
Bill Hulse
Henry Huld

SIGNING OTHER THAN DO PASS: (Do Not Pass, No Recommendation, Amend)

Best Sharp - No Rec
Richard J. Jolley " "

Cliff Davidson
 Chairman's signature

6-0368J ✓
Chenoweth
3/24/89

Original sponsor: Zharoff

1 IN THE SENATE

BY THE RESOURCES COMMITTEE

2 HOUSE CS FOR SENATE BILL NO. 62 (Resources)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the salmon enhancement tax; and
7 providing for an effective date."

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

9 * Section 1. AS 43.76 is amended by adding a new section to read:

10 Sec. 43.76.012. ONE PERCENT SALMON ENHANCEMENT TAX. (a) A
11 person holding a limited entry permit under AS 16.43 shall pay a
12 salmon enhancement tax at the rate of one percent of the value of
13 salmon, as defined in AS 43.75.140, that the person removes from the
14 state or transfers to a buyer in the state. The buyer shall collect
15 the salmon enhancement tax at the time the salmon is acquired by the
16 buyer.

17 (b) A one percent salmon enhancement tax may only be levied or
18 collected under (a) of this section

19 (1) in a region designated by the commissioner of fish and
20 game for the purpose of salmon production under AS 16.10.375;

21 (2) if there exists in the region an association determined
22 by the commissioner of fish and game to be a qualified regional asso-
23 ciation under AS 16.10.380; and

24 (3) if the qualified regional association approves the one
25 percent salmon enhancement tax under AS 43.76.015.

26 * Sec. 2. AS 43.76.015(b) is amended to read:

27 (b) The salmon enhancement tax is levied under AS 43.76.010,
28 [OR] 43.76.011, 43.76.012 in a region on the effective date stated
29 on the ballot if

1 (1) it is approved by a majority vote of the eligible
 2 interim-use permit and entry permit holders voting in an election held
 3 under this section in the region; and

4 (2) the election results are certified by the commissioner
 5 of commerce and economic development.

6 * Sec. 3. AS 43.76.015(c) is amended to read:

7 (c) In conducting an election under this section, a qualified
 8 regional association shall adopt the following procedures:

9 (1) The qualified regional association for the region shall
 10 hold at least one public meeting not less than 30 days before the date
 11 on which ballots must be postmarked to be counted in the election to
 12 explain the reason for the proposed salmon enhancement tax and to
 13 explain the registration and voting procedure to be used in the elec-
 14 tion. The qualified regional association shall provide notice of the
 15 meeting by

16 (A) mailing the notice to each eligible interim-use
 17 permit and entry permit holder;

18 (B) posting the notice in at least three public places
 19 in the region; and

20 (C) publishing the notice in at least one newspaper of
 21 general circulation in the region, at least once a week for two
 22 consecutive weeks before the meeting.

23 (2) The qualified regional association shall mail two
 24 ballots to each eligible interim-use permit and entry permit holder.
 25 The first ballot shall be mailed not [NO] more than 45 days before the
 26 date ballots must be postmarked to be counted in the election. The
 27 second ballot shall be mailed not [NO] less than 15 days before the
 28 date ballots must be postmarked to be counted in the election. The
 29 qualified regional association shall adopt procedures to ensure

1 [INSURE] that only one ballot from each eligible interim-use permit
2 and entry permit holder is counted in the election.

3 (3) The ballot shall

4 (A) indicate whether the election relates to a salmon
5 enhancement tax under AS 43.76.010, [OR] to a salmon enhancement
6 tax under AS 43.76.011, or to a salmon enhancement tax under
7 AS 43.76.012;

8 (B) ask the question whether the salmon enhancement
9 tax shall be levied;

10 (C) indicate the boundaries of the region in which the
11 salmon enhancement tax will be levied;

12 (D) provide an effective date for the levy of the
13 salmon enhancement tax; and

14 (E) indicate the date on which returned ballots must
15 be postmarked in order to be counted.

16 (4) The ballots shall be returned by mail and shall be
17 counted by the commissioner of commerce and economic development or by
18 a person approved by the commissioner of commerce and economic de-
19 velopment.

20 * Sec. 4. AS 43.76.020(a) is amended to read:

21 (a) The salmon enhancement tax levied under AS 43.76.010, [OR]
22 43.76.011, or 43.76.012 may be terminated by the commissioner of
23 revenue upon majority vote at an election held under AS 43.76.015 in
24 the region in which the salmon enhancement tax is levied.

25 * Sec. 5. AS 43.76.020(b) is amended to read:

26 (b) A salmon enhancement tax shall be terminated by the commis-
27 sioner of revenue under (a) of this section following an election in a
28 region if

29 (1) a petition is presented to the commissioner of commerce

1 and economic development requesting termination of the salmon enhance-
2 ment tax which is signed by at least 25 percent of the number of
3 persons who voted under AS 43.76.015 in the election approving the
4 salmon enhancement tax in the region;

5 (2) the commissioner of commerce and economic development
6 determines that there are no outstanding loans to the qualified re-
7 gional association under AS 16.10.510 that are secured by the tax;

8 (3) an election is held in accordance with AS 43.76.015;
9 the ballot shall ask the question whether the salmon enhancement tax
10 for the region shall be terminated; the ballot shall be worded so that
11 a "yes" vote is for continuation of the salmon enhancement tax and a
12 "no" vote is for termination of the salmon enhancement tax;

13 (4) [(3)] a majority of the eligible interim-use permit and
14 entry permit holders who vote in the election cast a ballot for the
15 termination of the salmon enhancement tax; and

16 (5) [(4)] the qualified regional association provides
17 notice of the election in accordance with AS 43.76.015 within two
18 months after receiving notice from the commissioner of commerce and
19 economic development that a valid petition under (1) of this sub-
20 section has been received.

21 * Sec. 6. AS 43.76.025(a) is amended to read:

22 (a) A buyer who acquires fisheries resources that [WHICH] are
23 subject to a [THE] salmon enhancement tax imposed by AS 43.76.010,
24 [OR] 43.76.011, or 43.76.012 shall collect the salmon enhancement tax
25 at the time of purchase, and shall remit the total salmon enhancement
26 tax collected during each month to the department [DEPARTMENT OF
27 REVENUE] by the last day of the next month.

28 * Sec. 7. AS 43.76.028(a) is amended to read:

29 (a) The owner of salmon removed from the state is liable for

1 payment of a [THE] salmon enhancement tax imposed by AS 43.76.010,
2 [OR] 43.76.011, or 43.76.012 if, at the time the salmon are removed
3 from the state, the tax payable on the salmon has not been collected
4 by a buyer.

5 * Sec. 8. AS 43.76.035 is amended to read:

6 Sec. 43.76.035. EXEMPTION. This chapter does not apply to
7 salmon harvested under a special harvest area entry permit issued
8 under AS 16.43.400 [TO A REGIONAL ASSOCIATION ESTABLISHED UNDER
9 AS 16.10.380].

10 * Sec. 9. This Act takes effect immediately under AS 01.10.070(c).
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Alaska State Legislature

HOUSE OF REPRESENTATIVES
COMMITTEE ON RESOURCES

POUCH V
JUNEAU, ALASKA 99811
(907) 468-3718

MEMORANDUM

TO: Chief Clerk

FROM: Representative Davidson Co-Chair *Clay*
Representative Menard Co-Chair *Menard*

DATE: March 3, 1989

SUBJECT: House Resources Committee Schedule (REVISED)

CHAIR: Representative Davidson

Monday, March 6, 3:00 p.m.

- ✓ Briefing: High seas salmon interception
- SJR 6 - High seas salmon interception
- HJR 28 - Beringia International Biosphere Reserve
- ✓ SB 62 - Salmon enhancement tax

Tuesday, March 7, 3:00 p.m.

- SB 62
 - *HB 60 - Extend marine park system
 - *HB 124 - Increase sport fishing & hunting license fees
 - SJR 6
 - HJR 28
- CHAIR: Representative Curt Menard

Tuesday, March 7, 7:30 p.m.

- HB 99 - Mining rents and royalties, 6(i)

Wednesday, March 8, 3:00 p.m.

- HB 196 - Petroleum storage tanks
- *SB 139 - Extension of Task Force on Guiding and Game
- *HCR 13 - Kenai Peninsula Hydrogeological Surveys
Presentation by the Water Resources Board - Overview

Thursday, March 9, 2:30-4:30 p.m. Capitol 124

- HB 112/SB 140 - Big Game Guiding and Sport Hunting
Joint House/Senate Resources Hearing; Public Testimony

Thursday, March 9, 4:30 p.m.

National Outdoor Leadership School - Slide presentation

Friday, March 10, 3:00 p.m.

Southside Denali Development - Overview

VHS - View

Saturday, March 11, 9:00 a.m. - 3:30 p.m.

Overview on Susitna forest planning and Forest Practices Act
Committee Field Trip; Wasilla City Hall, Wasilla



SENATOR FRED F. ZHAROFF

ALASKA STATE LEGISLATURE

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

DURING SESSION:


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

DISTRICT N

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

MEMORANDUM

TO: Rep. Cliff Davidson
Co-Chairman
House Resources Committee

FROM: Sen. Fred F. Zharoff 

DATE: March 4, 1989

RE: Senate Bill 62 - "An Act relating to a one percent salmon enhancement tax; and providing for an effective date."

SB 62 establishes a one percent salmon enhancement tax. Current state statutes provide for two percent and three percent salmon enhancement taxes, which the regional aquaculture associations use to fund their operations and to pay for salmon enhancement projects. SB 62 would give the associations the option of having a one percent tax.

The language in SB 62 duplicates present statutes, only adding references to the one percent tax.

SB 62 was introduced at the request of the Bristol Bay Salmon Enhancement Association. The association -- previously named the Imapik Regional Aquaculture Association -- recently reorganized itself after a period of inactivity. The association is planning to conduct an assessment election this year so it can start to raise the funds it needs for salmon enhancement projects. It is crucial that SB 62 be acted on as soon as possible so the association can have the benefit of revenues from the 1989 salmon season.

The association specifically needs a one percent tax to match its projected budget. The potential revenues from two percent and three percent taxes exceed the association's needs at this time.

The following backup information is attached:

1. Sectional analysis.
2. Position paper and fiscal note prepared by the Department of Commerce and Economic Development.
3. Bill analysis prepared by the Department of Fish and Game.
4. Letter from the president of the Bristol Bay Salmon Enhancement Association and resolution of support.

5. Letter of support from the Northern Southeast Regional Aquaculture Association.
6. Letter of support from the Cook Inlet Aquaculture Association.
7. Letter of support from the Prince William Sound Aquaculture Corporation.
8. Letter of support from the Southern Southeast Regional Aquaculture Association.
9. Letter of support from the Egegik Setnetters' Association.
10. State statutes pertaining to the Salmon Enhancement Tax.



SENATOR FRED F. ZHAROFF
ALASKA STATE LEGISLATURE

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

DURING SESSION:

P.O. BOX V, JUNEAU, ALASKA 99811 • (907) 485-3473 • 465-3474

DISTRICT N

ALASKA PENINSULA • ALEUTIAN CHAIN • BRISTOL BAY • KODIAK ISLAND • LAKE CLARK/LAKE ILIAMNA • Pribilof Islands • Shumagin Islands

SECTIONAL ANALYSIS

Senate Bill 62 - "An Act relating to a one percent salmon enhancement tax; and providing for an effective date."

SECTION 1

Adds a new section -- AS 43.76.012 -- to existing statutes that establishes a one percent salmon enhancement tax. This would be in addition to the already existing two percent and three percent salmon enhancement taxes. Alaska's regional aquaculture associations now have the option of implementing either two percent or three percent taxes to fund their operations. This section would give them an additional choice.

SECTION 2

Adds a reference to the one percent salmon enhancement tax (43.76.012) to existing statute.

SECTION 3

- (2) Makes grammatical changes to existing statute.
- (3) Adds a reference to the one percent salmon enhancement tax (43.76.012) to existing statute.

SECTION 4

Adds a reference to the one percent salmon enhancement tax (43.76.012) to existing statute.

SECTION 5

Adds a reference to the one percent salmon enhancement tax (43.76.012) to existing statute.

SECTION 6

Adds a reference to the one percent salmon enhancement tax (43.76.012) to existing statute.

SECTION 7

Immediate effective date.

SB 62: "An Act relating to a one percent salmon enhancement tax; and providing for an effective date."


This legislation will provide qualified regional aquaculture associations with the option of voting for a one percent salmon enhancement tax. Existing statute (AS 43.76.010 - 040) allows these associations to conduct elections for the purpose of establishing a tax on salmon harvested within their region. The proceeds of these taxes are collected by the Department of Revenue, deposited in the general fund and then may be appropriated to the Department of Commerce and Economic Development for the purpose of providing financing to the qualified regional association. This financing is provided through contracts with the various associations. AS 43.76.010 - 040 currently provides for establishment of either a two percent or three percent tax. Passage of this legislation would add the option of a one percent tax.

Currently there are seven qualified regional associations within the state, five of which already have salmon enhancement taxes in place. Prince William Sound Aquaculture Association, Cook Inlet Aquaculture Association, and Kodiak Regional Aquaculture Association all have established a two percent tax and Northern Southeast Regional Aquaculture Association and Southern Southeast Regional Aquaculture Association have established a three percent tax. The Bristol Bay Regional Aquaculture Association and the Lower Yukon-Kuskokwim Regional Aquaculture Association have not yet established a salmon enhancement tax in their respective regions.

During calendar year 1987, the following enhancement tax revenues were collected by the Department of Revenue:

Prince William Sound Aquaculture Association	\$1,085,077.00
Cook Inlet Aquaculture Association	2,330,652.00
Northern Southeast Regional Aquaculture Association	1,090,819.00
Southern Southeast Regional Aquaculture Association	1,232,650.00

The Department of Commerce and Economic Development is neutral on this legislation.


 Larry Mercurieff, Commissioner
 Department of Commerce and
 Economic Development

Date: 1/27/89

FISCAL NOTE

REQUEST:

Revision Date: 1/9/89
Title: An Act relating to a 1% salmon enhancement tax.
Sponsor: Zharoff
Requestor: Resources

Agency Affected: Commerce & Econ. Devel.
BRU: Investments
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

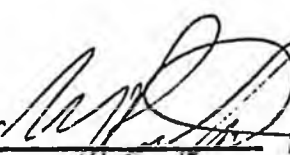
FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Martin J. Richard, Director  Phone: 465-2510
Division: Investments Date: 1/30/89
Approved by Commissioner: Larry Merculieff, Commissioner Date: 465-2500
Agency: Commerce & Economic Development 1/30/89

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



STATE OF ALASKA
OFFICE OF THE GOVERNOR
BILL ANALYSIS

DEPARTMENT Fish and Game	DIVISION FRED	BILL NUMBER SB 62	SPONSOR Zharoff
SHORT TITLE OF BILL An Act relating to a one percent salmon enhancement tax			
DEPARTMENT POSITION The department supports this bill as a logical extension to existing legislation.			
PREPARED BY Johnny S. Holland	DATE 1/18/89	COMMISSIONER'S SIGNATURE <i>William H. Miller</i>	DATE 1/20/89

SUMMARY

OTHER AGENCIES AFFECTED BY BILL Department of Commerce & Economic Development Department of Revenue	CONSTITUENT GROUP(S) AFFECTED BY BILL Regional aquaculture associations, commercial fishermen
ORGANIZATIONAL SUPPORT FOR BILL Regional aquaculture associations, commercial fishermen	ORGANIZATIONAL OPPOSITION TO BILL

FISCAL IMPACT: NONE FISCAL NOTE ATTACHED

BACKGROUND/LEGISLATIVE INTENT
There is existing salmon enhancement tax statutes (AS 43.76.010 and AS 43.76.011) allowing for 2 and 3% salmon enhancement taxes. This proposal legislation will amend the existing statutes to include 1% salmon enhancement tax.

ANALYSIS OF BILL/PROGRAM EFFECTS
SB 62 is a logical extension of existing statutes, allowing for taxation at a lower rate than presently statutorily permitted. The lower rate may be needed if: (a) lower revenues are required by regional aquaculture associations; (b) the higher rates are not amendable to fishermen in a given area. This bill allows the regional aquaculture associations to choose from a broader range of self-imposed taxes. There should be no direct effects on the FRED program.

AMENDMENTS PROPOSED

None

PLEASE ATTACH A SEPARATE SHEET FOR ADDITIONAL COMMENTS OR ANALYSIS.

RECEIVED FEB 10 1989

BBSEA
Box 1130
Dillingham, Ak
99576
2 February, 89

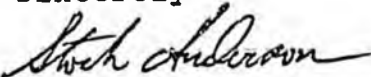
Fred Zharoff Senator
PO Box V
Juneau, Ak 99811

Re: SB 62

Dear Fred,

The enclosed resolution was made last April by BBSEA and speaks for itself as to the need of adopting SB 62. It was the consensus that with the different tax rates in our fishing districts the choice of 1% enhancement tax would be the most appropriate tax for BBSEA. The amount of tax generated by a 1% tax would be a good start for salmon enhancement in Bristol Bay. If you need any further information please let me know.

Sincerely


Stosh Anderson

BRISTOL BAY SALMON ENHANCEMENT ASSOCIATION
PO Box 1130
Dillingham, Alaska 99576

In our Board meeting of April 16, 1988, which took place in Dillingham, Alaska, the following resolution was approved:

Resolved that we will hold an election to approve a salmon enhancement tax. The amount of the enhancement tax is to be one percent, (1%) of the gross value of all salmon caught under commercial fishing provisions, in the Bristol Bay area. (Alaska Fish & Game Area "T") The tax shall apply to all fish caught under the State of Alaska Commercial Fishing Regulations.

This resolution is in accord with the general provisions of Section 43. Revenue and Taxation, of the Alaska Statutes and Regulations for Nonprofit Salmon Hatcheries.

The Board was aware that as of this date, the Alaska Statutes, does not allow for a one per cent (1%) assessment. There was testimony that a one percent assessment option, would be added to the existing choices of either a two or three percent assessments currently allowed under Sec. 43.76.010 and .011. This change was expected to occur before the effective date of this resolution.

The effective date of this resolution is January 1, 1989.

signed this 19 day of April 1988


Stosh Anderson, President

NORTHERN



SOUTHEAST REGIONAL AQUACULTURE ASSOCIATION, INC.

103 Monastery Street Sitka, Alaska 99835 (907) 747-6850

February 17, 1989

Senator Fred Zharoff
Alaska State Legislature
P O Box V
Juneau AK 99811

Dear Senator Zharoff:

This letter is to advise you that we at the Northern Southeast Regional Aquaculture Association have no objection to SB62 authorizing a one percent (1%) enhancement tax for Bristol Bay. I know that the fishermen in Bristol Bay want to get a regional aquaculture association going and I'm sure that this 1% tax will help them realize their goal.

Sincerely,

A handwritten signature in cursive script, appearing to read "Pete Esquiro". The signature is written in dark ink and is positioned above the typed name.

Pete Esquiro
General Manager

PE/sp



RECEIVED FEB 22 1989

COOK INLET
AQUACULTURE ASSOCIATION

HC 2, BOX 848
SOLDOTNA, AK 99689-0707
(907) 283-5781

February 20, 1989

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

Dear Senator Zharoff:

Cook Inlet Aquaculture Association supports passage of Senate Bill 62. This would allow Regional Aquaculture Associations the option of a 1% enhancement tax in addition to the existing 2% or 3% options.

The 1% option would be very helpful to individuals attempting to organize a Regional Association in Bristol Bay. We do not believe that the existence of a 1% option would cause Cook Inlet fishermen to exert any significant pressure to reduce our enhancement tax from the current (2%) level. We would anticipate no negative impact as a result of passage of SB 62.

Sincerely,

Thomas E. Mears,
Executive Director

RECEIVED FEB 23 1989

Prince William Sound Aquaculture Corporation

P.O. Box 1110
Cordova, Alaska 99574
Phone: (907) 424-7511
Fax: (907) 424-7514



A regional non-profit organization for the enhancement of salmon.

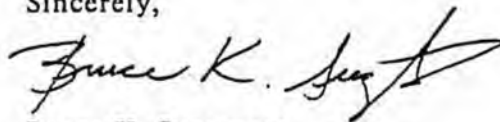
February 20, 1989

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

Dear Senator Zharoff:

We would like to confirm Prince William Sound Aquaculture Corporation's support of Senate Bill 62 which provides the opportunity to assess a 1% salmon enhancement tax in addition to the 2 and 3% rates already present in the statutes. We believe that the 1% tax rate will provide greater flexibility to address specific regional enhancement needs and aid fledgling regional aquaculture associations in developing their programs. Hatchery programs are vital to insure the long term growth and stability of the state's important fishing industry. We view SB 62 as a means of expanding and consolidating these very important programs.

Sincerely,



Bruce K. Suzumoto
President

BKS/pmd

RECEIVED FEB 27 1989

**SOUTHERN SOUTHEAST REGIONAL
AQUACULTURE ASSOCIATION, INC.**

1621 Tongass Ave., #103

(907) 225-9605

Ketchikan, Alaska 99901

February 24, 1989

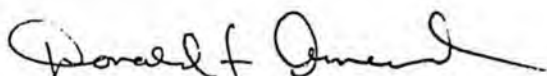
Senator Fred Zharoff
Capital, Room 121
P.O. Box V
Juneau, Alaska 99811

Dear Senator Zharoff:

I am writing to you in support of SB.62 which amends the fisheries enhancement tax statutes by allowing Regional Aquaculture Associations to choose a 1% enhancement tax along with the 2% and 3% choice.

The financial needs of the Regional Aquaculture Associations vary among the different areas of the State. Fishermen who vote to tax themselves should have the option to chose a tax rate commensurate with their needs. The addition of a 1% tax rate along with the other options give more flexibility to the program. The Southern Southeast Regional Aquaculture Association does not believe that your bill would have any adverse affect on our Region and we support your bill.

Sincerely,



Donald F. Amend
General Manager

cc: Robert H. Blake

DFA:cw
81-14

PRIVATE NON PROFIT HATCHERIES

RECEIVED FEB 11 1989

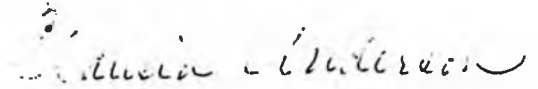
Egegik Setnetters' Association
Levelock, Ak. 99625
Feb. 7, 1989

Senator Zharoff
Pouch V
Juneau, Ak. 99811

Dear Senator,

The Egegik Setnetters' Association would like to thank you for both introducing and supporting SB 62. If any enhancement tax is appropriate for the Bay, 1% surely seems the most reasonable to us.

Sincerely,


Claudia Anderson, treasurer
for
Linda Kjarstad, president

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§ 43.76.010

REVENUE AND TAXATION

§ 43.76.011

Chapter 76. Salmon Enhancement Act.

Section

10. Three percent salmon enhancement tax

11. Two percent salmon enhancement tax

Section

25. Collection of tax and disposition of proceeds

35. Exemption

Sec. 43.76.010. Three percent salmon enhancement tax. (a) A person holding a limited entry permit under AS 16.43 shall pay a salmon enhancement tax at the rate of three percent of the value of salmon, as defined in AS 43.75.140, that the person removes from the state or transfers to a buyer in the state. The buyer shall collect the salmon enhancement tax at the time the salmon is acquired by the buyer.

(b) A three percent salmon enhancement tax may only be levied or collected under (a) of this section

(1) in a region designated by the commissioner of fish and game for the purpose of salmon production under AS 16.10.375;

(2) if there exists in that region an association determined by the commissioner of fish and game to be a qualified regional association under AS 16.10.380; and

(3) if the qualified regional association approves the three percent salmon enhancement tax under AS 43.76.015. (§ 2 ch 154 SLA 1980; am § 13 ch 117 SLA 1981)

Editor's notes. — This section is set out above to reflect a change in the internal reference because of section reorganization.

Sec. 43.76.011. Two percent salmon enhancement tax. (a) A person holding a limited entry permit under AS 16.43 shall pay a salmon enhancement tax at the rate of two percent of the value of salmon, as defined in AS 43.75.140, that the person removes from the state or transfers to a buyer in the state. The buyer shall collect the salmon enhancement tax at the time the salmon is acquired by the buyer.

(b) A two percent salmon enhancement tax may only be levied or collected under (a) of this section

(1) in a region designated by the commissioner of fish and game for the purpose of salmon production under AS 16.10.375;

(2) if there exists in that region an association determined by the commissioner of fish and game to be a qualified regional association under AS 16.10.380; and

(3) if the qualified regional association approves the two percent salmon enhancement tax under AS 43.76.015. (§ 2 ch 154 SLA 1980; am § 14 ch 117 SLA 1981)

Editor's notes. — This section is set out above to reflect a change in the inter-
nal reference because of section reorganization.

Sec. 43.76.025. Collection of tax and disposition of proceeds.

(a) A buyer who acquires fisheries resources which are subject to the salmon enhancement tax imposed by AS 43.76.010 or 43.76.011 shall collect the salmon enhancement tax at the time of purchase, and shall remit the total salmon enhancement tax collected during each month to the Department of Revenue by the last day of the next month.

(b) A buyer who collects the salmon enhancement tax shall

(1) maintain records reflecting the region designated under AS 16.10.375 in which the fishery resource was caught; and

(2) report to the Department of Revenue by March 1 of each year the total value, as defined in AS 43.75.140, of the salmon caught in each region designated under AS 16.10.375 which the buyer has acquired during the preceding year.

(c) The salmon enhancement tax collected under AS 43.76.010 — 43.76.030 shall be deposited in the general fund. The legislature may make appropriations based on this revenue to the Department of Commerce and Economic Development for the purpose of providing financing for qualified regional associations. The legislature may base an appropriation for a qualified regional association operating within a region designated under AS 16.10.375 on the value of the fisheries resources caught in that region rather than the value of the fisheries resources sold in that region if those values differ. (§ 2 ch 154 SLA 1980; am §§ 16, 17 ch 117 SLA 1981)

Editor's notes. — This section is set out above to reflect a change in the inter-
nal reference because of section reorganization.

Sec. 43.76.030. Accounting of financing received as a result of the salmon enhancement tax.

Revisor's notes. — Enacted as AS 16.10.385. Renumbered in 1980.

Sec. 43.76.035. Exemption. This chapter does not apply to salmon harvested under a special harvest area entry permit issued under AS 16.43.400 to a regional association established under AS 16.10.380. (§ 2 ch 152 SLA 1988)

Effective dates. — Section 4, ch. 152, SLA 1988, makes this section effective June 10, 1988, in accordance with AS 01.10.070(c).

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§ 43.76.015

REVENUE AND TAXATION

§ 43.76.015

(3) if the qualified regional association approves the two percent salmon enhancement tax under AS 43.76.015. (§ 2 ch 154 SLA 1980; am § 14 ch 117 SLA 1981)

Effect of amendments. — The 1981 amendment, in subsection (a), substituted "removes from the state or transfers to a buyer in the state" for "sells to a processor licensed under AS 43.75.011" in the first sentence and in the second sentence, sub-

stituted "the buyer" for "the processor" preceding "shall collect," deleted "of" following "at the time" and substituted "salmon is acquired by the buyer" for "sale" following "time the."

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Sec. 43.76.015. Election to approve or terminate salmon enhancement tax. (a) A qualified regional association may conduct an election under this section after the commissioner of commerce and economic development approves

- (1) the notice to be published by the qualified regional association;
- (2) the ballot to be used in the election; and
- (3) the registration and voting procedure for the approval or termination of the salmon enhancement tax.

(b) The salmon enhancement tax is levied under AS 43.76.010 or 43.76.011 in a region on the effective date stated on the ballot if

- (1) it is approved by a majority vote of the eligible interim-use permit and entry permit holders voting in an election held under this section in the region; and
- (2) the election results are certified by the commissioner of commerce and economic development.

(c) In conducting an election under this section, a qualified regional association shall adopt the following procedures:

(1) The qualified regional association for the region shall hold at least one public meeting not less than 30 days before the date on which ballots must be postmarked to be counted in the election to explain the reason for the proposed salmon enhancement tax and to explain the registration and voting procedure to be used in the election. The qualified regional association shall provide notice of the meeting by

- (A) mailing the notice to each eligible interim-use permit and entry permit holder;
- (B) posting the notice in at least three public places in the region; and
- (C) publishing the notice in at least one newspaper of general circulation in the region at least once a week for two consecutive weeks before the meeting.

(2) The qualified regional association shall mail two ballots to each eligible interim-use permit and entry permit holder. The first ballot shall be mailed no more than 45 days before the date ballots must be postmarked to be counted in the election. The second ballot shall be mailed no less than 15 days before the date ballots must be postmarked to be counted in the election. The qualified regional association shall

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adopt procedures to insure that only one ballot from each eligible interim-use permit and entry permit holder is counted in the election.

(3) The ballot shall

(A) indicate whether the election relates to a salmon enhancement tax under AS 43.76.010 or to a salmon enhancement tax under AS 43.76.011;

(B) ask the question whether the salmon enhancement tax shall be levied;

(C) indicate the boundaries of the region in which the salmon enhancement tax will be levied;

(D) provide an effective date for the levy of the salmon enhancement tax; and

(E) indicate the date on which returned ballots must be postmarked in order to be counted.

(4) The ballots shall be returned by mail and shall be counted by the commissioner of commerce and economic development or by a person approved by the commissioner of commerce and economic development.

(d) The commissioner of commerce and economic development shall certify the results of an election under this section if the commissioner determines that the requirements of (a) and (c) of this section have been satisfied.

(e) Except as provided in AS 43.76.020(b)(2), an election to terminate a salmon enhancement tax shall be conducted under the same procedures established under (a), (c) and (d) of this section for an election to approve a salmon enhancement tax.

(f) In this section, "eligible interim-use permit and entry permit holder" means an individual who, 90 days before the date ballots must be postmarked to be counted in an election under this section, is listed in the records of the Alaska Commercial Fisheries Entry Commission as the legal owner of an interim-use permit or an entry permit which authorizes the individual to fish commercially in an administrative area established by the Alaska Commercial Fisheries Entry Commission under AS 16.43.200, which is included, in whole or in part, in the region in which the election is held. (§ 2 ch 154 SLA 1980)

Sec. 43.76.020. Termination of salmon enhancement tax. (a) The salmon enhancement tax levied under AS 43.76.010 or 43.76.011 may be terminated by the commissioner of revenue upon majority vote at an election held under AS 43.76.015 in the region in which the salmon enhancement tax is levied.

(b) A salmon enhancement tax shall be terminated by the commissioner of revenue under (a) of this section following an election in a region if

(1) a petition is presented to the commissioner of commerce and economic development requesting termination of the salmon enhancement tax which is signed by at least 25 percent of the number of persons who voted under AS 43.76.015 in the election approving the salmon enhancement tax in the region;

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(2) an election is held in accordance with AS 43.76.015; the ballot shall ask the question whether the salmon enhancement tax for the region shall be terminated; the ballot shall be worded so that a "yes" vote is for continuation of the salmon enhancement tax and a "no" vote is for termination of the salmon enhancement tax;

(3) a majority of the eligible interim-use permit and entry permit holders who vote in the election cast a ballot for the termination of the salmon enhancement tax;

(4) the qualified regional association provides notice of the election in accordance with AS 43.76.015 within two months after receiving notice from the commissioner of commerce and economic development that a valid petition under (1) of this subsection has been received. (§ 2 ch 154 SLA 1980; am § 15 ch 117 SLA 1981)

Effect of amendments. — The 1981 amendment added "or 43.76.011" following "AS 43.76.010" in subsection (a).

Sec. 43.76.025. Collection of tax and disposition of proceeds.

(a) A buyer who acquires fisheries resources which are subject to the salmon enhancement tax imposed by AS 43.76.010 or 43.76.011 shall collect the salmon enhancement tax at the time of purchase, and shall remit the total salmon enhancement tax collected during each month to the Department of Revenue by the last day of the next month.

(b) A buyer who collects the salmon enhancement tax shall

(1) maintain records reflecting the region designated under AS 16.10.375 in which the fishery resource was caught; and

(2) report to the Department of Revenue by March 1 of each year the total value, as defined in AS 43.75.140(8), of the salmon caught in each region designated under AS 16.10.375 which the buyer has acquired during the preceding year.

(c) The salmon enhancement tax collected under AS 43.76.010 — 43.76.030 shall be deposited in the general fund. The legislature may make appropriations based on this revenue to the Department of Commerce and Economic Development for the purpose of providing financing for qualified regional associations. The legislature may base an appropriation for a qualified regional association operating within a region designated under AS 16.10.375 on the value of the fisheries resources caught in that region rather than the value of the fisheries resources sold in that region if those values differ. (§ 2 ch 154 SLA 1980; am §§ 16, 17 ch 117 SLA 1981)

Effect of amendments. — The 1981 amendment substituted "buyer" for "processor" and substituted "acquires" for "buys" in subsection (a). In subsection (b), the amendment substituted "buyer" for "processor" in the introductory language and in paragraph (2) and substituted "acquired" for "purchased" preceding "during the preceding year" in paragraph (2).

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HOUSE COMMITTEE REPORT

3) Date Referred: March 17, 1989

FURTHER REFERRALS: JUDICIARY

Date of Committee Action: 3-29-89

Re RESOURCES Committee considered:

CSSB 76(RES)

FOR SENATE BILL NO. 76 (Resources)

[RELEASE OF F & G CONFIDENTIAL RECORDS]

in Act relating to confidentiality of certain fishery reports and records."

RECOMMENDATIONS:

be replaced with HCS CSSB 76 (RES)

the same title
 a new title

have attached amendment(s)

do pass

do not pass

no recommendation

individual recommendations

additional referral to the _____ Committee

ADDITIONAL COMMENTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):
(Dept)

APPROVES PREVIOUS:

(Date/Dept)

fiscal impact _____

fiscal note(s) _____

zero fiscal note _____

zero fiscal note(s) _____

zero with analysis _____

zero fn/analysis _____

SIGNING DO PASS:

SIGNING:
(Check approp. column)

Cliff Davidson
Sam McManus
Mike Devo
Bert Sharp
Richard Sobey
Mike Stargano
George Jones Jr.

	Do Not Pass	No Rec	Amend

Cliff Davidson
Chairman's signature

A M E N D M E N T

OFFERED IN THE HOUSE

TC: CSSB 76(Resources)

Page 1, lines 17 - 19:

Delete "court or a person who receives records and reports under (4) of this subsection or a person under (5)"

Insert "recipient under (4) - (6)"

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: An act relating to confidentiality of certain fishery reports and records

Agency Affected: Fish and Game
BRU: Commercial Fisheries

Sponsor: Senator Eliason
Requestor: _____

Components: Commercial Fisheries
Special Projects

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92 -	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Robert C. Clasby Phone: 465-4210
Division: _____ Date: _____

Approved by Commissioner: _____ Date: _____
Agency: _____

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

ALASKA STATE LEGISLATURE · SENATE

SENATOR RICHARD I. ELIASON

LABOR & COMMERCE COMMITTEE, CHAIRMAN
RESOURCES COMMITTEE
RULES COMMITTEE
SPECIAL COMMITTEE ON HIGH SEAS
SALMON INTERCEPTION
SELECT COMMITTEE ON
LEGISLATIVE ETHICS



P O BOX 143
SITKA, ALASKA 99835

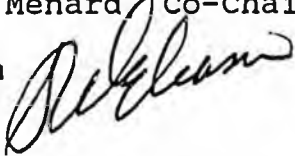
P O BOX V
JUNEAU, ALASKA 99811
(907) 465-4916

FAX (907) 465-4928

RECEIVED MAR 20 1989

M E M O R A N D U M

TO: Representative Cliff Davidson, Co-Chairman
Representative Curt Menard, Co-Chairman

FROM: Senator Dick Eliason 

DATE: March 16, 1989

RE: CSSB 76(Res), relating to confidentiality of
certain fishery reports and records

The Committee Substitute for Senate Bill 76(Resources), relating to confidentiality of certain fishery reports and records, has been referred to the House Resources Committee for consideration.

I introduced this measure at the request of the Dept. of Fish and Game. It is designed to correct the situation that has evolved under the state's current statute regarding the confidentiality of fish tickets and summary information, and I believe it strikes a good balance between protecting the privacy of fishermen, and protecting the livelihood of fishermen by allowing the sharing of information helpful in fisheries management.

I encourage you to review the measure, and hope that you will soon schedule it for a hearing before the full Resources Committee. Please contact my office if you or your staff require additional information on the bill. Thank you for your consideration.

Reasons for Amending the Fisheries Confidentiality Statute

AS 16.05.815

Purpose: Amend current confidentiality restrictions to allow the state to share detailed fish ticket and observer data for the halibut and groundfish fisheries with those international and federal agencies that have primarily management responsibility for those fisheries.

1. The Department of Law recently said that our historical practice of providing fish tickets for halibut landings to the halibut commission (IPHC) as the department is probably illegal under the above statute.

Strict interpretation of the statute will make it impossible for the state to provide accurate halibut harvest information to IPHC. This will lead to either overharvest of the resource or more conservative management; both of which will mean a loss of revenue to the industry and to the state.

2. Prevent duplication of catch records and inappropriate fisheries closures by the NMFS.

The state (DF&G) collects groundfish harvest information for state and federal waters using fish tickets (FT's), while the federal government (NMFS) obtains their harvest information via in-season weekly reports (via FAX or radio) from groundfish catcher/processors. DF&G, via contract, supplies NMFS with information on catches in federal waters, however, that information is masked, as required by AS 16.05.815, so as not to reveal the vessel or vessel operator. Without being able to identify and match individual vessels or operators on FT's, NMFS cannot reconcile their reports with the state's. This can lead to inaccurate determination of the total catch.

3. Estimate discard of crab, halibut, herring, etc. and target species. These data are currently unavailable for most U.S. groundfish fisheries.

Substantial discard of crab, halibut, salmon, undersized, and non-target species can occur in groundfish fisheries. This discard can only be estimated by 1) matching observer and fish ticket records for the specific observed trips, 2) calculating discard proportion by species based on observer data, and 3) appropriately applying the discard proportions to the total landed catch of a given fishery. Both agencies have detailed observer and catch information. That information is not useful, because each agency needs to know the vessel that generated the data. Once that is known, each agency can create the data base required to perform the analysis that will tell the managers what effects bycatch is having on the target resource, as well as on resources harvested in other fisheries.

4. Permit continued and possibly expanded federally funded state programs for data collection (PT's and marine mammal observers).

To be a viable contractor for these services, the state must be able to provide NMFS with complete data sets, not summaries. Advantage: Data provides the state influence in the federal management process.

5. Provide mutual access to fisheries data.

Recent meetings with the NMFS demonstrate a willingness on the part of the feds to make their administratively confidential data (e.g., observer) available to ADF&G. This assumes the state is willing to change its confidentiality restrictions. Advantages: 1) promotes governmental efficiency, 2) promotes better quality analyses because complete data sets are available, and 3) allows the state to perform independent analyses to protect state interests, e.g., analysis of incidental king crab and herring catches in the Bering Sea.

6. The administration should support the change because it is administratively and management oriented.

This request involves interagency cooperation and agency effectiveness.

7. Public support exists for the change.

Enclosed is a resolution from the Southwest Alaska Municipal Conference urging the removal of all barriers to fisheries data sharing. Senator Eliason has stated to Jim Brooks, NMFS Alaska Region Deputy Director, that he would not object to this change for groundfish, although he previously blocked similar legislation which included salmon. Ken Parker has discussed the proposed change with Rick Lauber (Pacific Seafood Processors Assoc.), Kate Graham (UFA), and Chris Blackburn (Groundfish Data Bank). They were not initially opposed, but need to talk to their membership about the proposal.

MEMORANDUM

State of Alaska

DEPARTMENT OF FISH AND GAME

TO: Don W. Collinsworth
Commissioner
Department of Fish and Game

DATE: August 22, 1980

FILE NO.:

TELEPHONE NO.: 465-4210

FROM: Ken Parker
Director
Commercial Fisheries Division

SUBJECT: Proposed Statutory
Amendment:
Confidentiality
of Fisheries Records

The Commercial Fisheries Division recommends that the Governor introduce legislation to amend AS 16.05.815, regarding confidentiality of fisheries records and reports, to address several long-standing problems encountered by this division in its interactions with federal agencies over jointly managed fisheries. These problems are:

1. Although we have, since 1971, routinely transmitted the fish tickets we receive for halibut landings to the International North Pacific Halibut Commission (IPHC), we have had no statutory authority to do so. Previous actions have been based on the fact that we have no management authority over that fishery and that the IPHC is the internationally recognized manager. Since the IPHC provides us with complete, verified data files in return for our assistance, cessation of this practice will result in an immediate loss of information to the state.
2. Many groundfish species are highly mobile and are widely distributed across state and federal marine boundaries. They are best managed as a unit throughout their range. Coordinated management is hampered by the restriction in AS 16.05.815 (a)(1) which requires that all information from state waters released to the National Marine Fisheries Service (NMFS) be stripped of vessel and fisherman identifiers. This information is required by the NMFS to ensure against duplicate records and to relate harvests to information collected in their own observer program. While NMFS has the legal authority to require a separate report of this information from U.S. citizens operating in state waters, coordinated management is best served if both agencies are able to use the same information to manage this common resource.
3. The Legislature recently enacted legislation which authorizes a state onboard observer program. Meanwhile, emphasis in the federal observer program has shifted to the emerging domestic fleet. Although the information collected by observers is not directly required in regulation, the Attorney General's office has advised us that this information is probably subject to the confidentiality statutes. The needs for joint access to this information

are similar to those described in #2. To be truly effective, the limited resources of both agencies must be pooled to give a complete picture of groundfish harvests.

These confidentiality problems are not all one-sided, as the federal government has confidentiality regulations of its own. Since the state is the federal government's contracted agent to compile groundfish tickets, however, we already have access to all fish tickets from federal waters. The federal government has also committed to administrative resolution of confidentiality issues regarding its observer data. The remaining barriers to access relate to state statutes.

The amendments we recommend are as follows:

1. Add a section AS 16.05.815 (a)(7) which would permit release of fish tickets and fish ticket information on halibut landings to the International North Pacific Halibut Commission.
2. Repeal the last sentence in AS 16.05.815 (a)(1) which requires that all information released to the NMFS be stripped of vessel and fisherman identifiers.

Implementation of these changes should have no fiscal impact on the department. I am not aware of a similar bill which has been drafted or introduced and not passed. No other departments should be impacted by this proposal.

Although no private organizations have addressed this issue in any fashion, support should be solicited from the United Fishermen of Alaska, the Alaska Groundfish Data Bank, or other fishermen's organizations. Support from these organizations may, however, be divided. Similarly, processors or legislators with substantial fisheries constituencies may also be opposed if they are not convinced of the need to share detailed information.

The precedents for access to this information by other agencies, including the NMFS, already exist in AS 16.05.815. We have been informed that similar provisions enabling free access by state and federal agencies to fisheries information already exist in Texas, Louisiana, Georgia, South Carolina, North Carolina, Puerto Rico, and the Virgin Islands, among others.

cc: Bruce Twomley

ALASKA DEPARTMENT OF FISH & GAME
FISH BUYING TICKET

017052

ORDER PREPARED BY: CONTRACT CASH

12

2000

PORT NAME: PORT MANNING
 VESSEL NAME: ALASKA RESOURCE COAST
 VESSEL NUMBER: 0000000000
 BUYER NUMBER: 0000000000

DATE CAUGHT: 11/20/00
 DATE RECEIVED: 11/20/00

AREA CAUGHT: HANKS INLET
 (SHOW NEAREST BAY OR HEADLAND)

112-16
 TOWNSHIP CHART NO. 1

20 - 20 lbs	202	JAL. 107 Lg. Med Kings	410	1	29	4.00	116.00
40 - 40 lbs	202	Med. Red Kings	410	1	12	3.75	45.00
Total Medium	202						
50 - 50 lbs	203	Sml. Red Kings	410				
80 - 100 lbs	203	Lg. White Kings	410	1	21	3.25	68.25
100 - 150 lbs	203	Sml. White Kings	410				
Over 150 lbs	203						
Total Large	203	TOTAL KINGS	410	19	429		
No. 2's Med.	204	FEDS (SOCKEYE)	420	1	4	3.00	12.00
No. 2's Lg.	204	Lg. Cohos	430	5	46	2.75	126.50
TOTAL (LESS HEAD - BLANK)	200						
MISCELLANEOUS		Med. Cohos	430	3	24	2.50	60.00
Lg. Sablefish	710						
Sml. Sablefish	710	Sml. Cohos	430	1	5	2.25	11.25
Total Sablefish	710	TOTAL COHOS	430	9	75		
Lingcod	130						
Rockfish/Red Snapper	140	PINKS	440	8	26	0.75	19.50
Steelhead	540						
HERRING		BRIGHT CHUMS	450	2	18	2.00	36.00
Herring Eggs on Keel	231	DARK CHUMS	450	1	9	1.25	11.25
Herring Roe Steins	232	TOTAL CHUMS	450	3	27		
Herring Bail Food	233	SALMON ROE	400		10	.75	7.50
Herring Sac Roe	234	Sub-Total					\$1981.25
% Roe Content =		Less Salmon Enhancement Tax = (1981.25 x 0.03) =					59.44
		TOTAL		71	1102		\$1921.81

Fisherman's Signature * Captain John Doe
 IF DELIVERED HEREBY WERE CAUGHT IN COMPLIANCE WITH STATE LICENSING LAWS
 AND STATE LABOR LAWS AND REGULATIONS

Fish Received by Mr. Solomon Bayes

PURCHASER

ALASKA DEPARTMENT OF FISH & GAME
 GROUND FISH TICKET

DO NOT WRITE IN THIS SPACE

G88 026002

Vessel Name FV GROUND FISH BOAT

Fishery Resource Code
 Name PERMITHOLDER NAME
 Permit Number PERMIT NUMBER ADF&G
8801A SSN NUMBER 0

ADF&G NO. 00000

DELIVERY CONDITION CODES
 ENTER FOR EACH SPECIES IN COLUMNS 4 & 11 BELOW

- 1 = WHOLE FOODFISH
- 2 = WHOLE BAIT
- 3 = BLED
- 4 = GUTTED ONLY
- 5 = GUTTED AND HEADED
- 6 = SALTED AND SPLIT
- 7 = WESTERN CUT
- 8 = EASTERN CUT
- 9 = FILLETS
- 10 = LANDED DISCARD

Proc. Code 0000 0 88 Date Caught 7/18/88
 Company ENRICO INC. Date Landed 7 22 88

PORT OF LANDING
DUTCH HARBOR

PRINT TYPE OF GEAR USED
LONGLINE

Species	Code	Weight	Condition	Price	Total
SABLEFISH	710		PACIFIC OCEAN PERCH	141	
			BLACK ROCKFISH	142	
			IDIOT ROCKFISH	143	
			RED SNAPPER - YELLOWEYE	145	5 500 0.50 2.50.00
			CANARY ROCKFISH	146	
FLATHEAD SOLE	122		QUILLBACK ROCKFISH	147	
ROCK SOLE	123		CHINA ROCKFISH	149	
DOVER SOLE	124		ROSETHORN ROCKFISH	150	
REX SOLE	125		DUSKY ROCKFISH	151	
YELLOWFIN SOLE	127		RED ROCKFISH - UNSPECIFIED	140	
STARRY FLOUNDER	129		ROCKFISH - UNSPECIFIED	123	
ALASKA HALIBUT	132		SHOGUN	150	
FLORIDA HALLIBUT	130		ROCKFISH	100	
PACIFIC GOLD				703	

FISCAL NOTE

REQUEST:

Revision Date: _____
 Title: Confidentiality of certain fishery reports and records
 Sponsor: Fish and Game
 Requestor: Senate Rules

Agency Affected: Fish and Game
 BRU: Commercial Fisheries
 Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL						
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

Prepared by Bob Clashy Phone: 465-4210
 Division: Commercial Fisheries Date: 3/13/89

Approved by Commissioner: Donnell Callenworth Date: 3.14.89
 Agency: Fish and Game

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

S B

83

HOUSE COMMITTEE REPORT

(9)

Date Referred: March 10, 1989

FURTHER REFERRALS: FINANCE

Date of Committee Action: 3-29-89

The RESOURCES Committee considered:

SB 83

SENATE BILL NO. 83

"An Act relating to the transfer of assets of the Alaska Resources Corporation upon dissolution; and providing for an effective date."

RECOMMENDATIONS:

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

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):
(Dept)

APPROVES PREVIOUS:
(Date/Dept)

- [] fiscal impact _____
- [] zero fiscal note _____
- [] zero with analysis _____

- [] fiscal note(s) _____
- [] zero fiscal note(s) _____
- [] zero fn/analysis _____

SIGNING DO PASS:

Cliff Davidson

Richard (Joke)

Mike Savane

Bert Sharp

Michael Deeds

Sam O'Connell

Longfellow

SIGNING: (Check approp. column)

	Do Not Pass	No Rec	Amend

Cliff Davidson
Chairman's signature

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Department of Revenue
 Title: Transfer of Alaska Resources
Corporation assets upon dissolution
 Sponsor: Rules by Request of Governor
 Requestor: House Resources
 BRU: Treasury
 Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
OPERATING						
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LANDS & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS: attach a separate page for analysis.

Prepared By: Milt Barker MB Phone: 465-2350
 Division: Treasury Date: March 29, 1989

Approved by Commissioner: Hugh Malone Date: March 29, 1989
 Agency: Department of Revenue

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

STATE OF ALASKA
1989 LEGISLATIVE SESSION

BILL VERSION: _____
PUBLISH DATE: _____

FISCAL NOTE

REQUEST: _____

Revision Date: _____
Title: Transfer of Alaska Resources
Corporation assets upon dissolution
Sponsor: Rules
Requestor: Governor

Agency Affected: Department of Revenue
BRU: Treasury
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
OPERATING						
PERSONAL SERVICES	-	-	-	-	-	-
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	-	-	-	-	-
SUPPLIES	-	-	-	-	-	-
EQUIPMENT	-	-	-	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	-	-	-	-	-	-
REVENUE	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

Prepared By: Milt Barker MB
Division: Treasury

Phone: 465-2350
Date: December 29, 1989

Approved by Commissioner: Hugh Malone
Agency: Department of Revenue

Date: December 29, 1988

Distribution (by preparer):

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

STEVE COWPER, GOVERNOR

DEPARTMENT OF REVENUE

TREASURY DIVISION

ELEVENTH FLOOR
STATE OFFICE BUILDING
P.O. BOX 58
JUNEAU, ALASKA 99811-0400

January 20, 1989

The Honorable Bettye Fahrenkamp
Chair
Senate Resources Committee
Alaska State Legislature
P. O. Box V
Juneau, Alaska 99811

Attention: Danny Consenstein

Dear Senator Fahrenkamp:

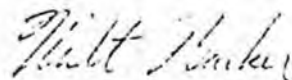
At the request of your staff, I would like to provide you some background on Senate Bill 83, an Act relating to the transfer of assets of the Alaska Resources Corporation upon dissolution.

The Alaska Resources Corporation ("ARC") dissolves by law on July 1, 1989. At that time, current law provides for the transfer to the Department of Revenue of any outstanding loans that ARC has made. ARC has been in the process of collecting or liquidating these loans and depositing the proceeds in the general fund. The Department of Revenue would continue this process with the loan assets it would directly hold after the transfer on July 1, 1989.

Unfortunately, current law is not clear as to what happens to non-loan assets of ARC, such as common stock or real estate, upon dissolution. These assets have also been in the process of liquidation. Under SB 83, disposition of these other assets also would be handled by the Department of Revenue and the proceeds deposited in the general fund.

Enclosed is a recent summary of the status of ARC's various assets. To assure your files are complete, I have also enclosed the Governor's transmittal letter and the Department of Revenue's fiscal note for this bill.

Sincerely,



Milton Baker
Deputy Commissioner

MB/ph

CODES: R-RESTRUCTURE
 E-EXPANSION
 S-START UP
 IB-INVESTMENT BANKING
 VC-VENTURE CAPITAL

ALASKA RESOURCES CORPORATION
 INVESTMENT RECAP
 September 30, 1988

CODE	COMPANY NAME	FISHERIES	SPECIAL FISH	AGRICUL-TURE	FOREST PRODUCTS	SPECIAL FOREST	MANUFAC-TURING	COMMITTED UNDIS. FUNDS	TOTAL DEBT	EQUITY AMOUNT	EQUITY %	TOTAL DEBT AND EQUITY
RVC	ACT I (ALASKA F.I.S.H.)	-0-							-0-			-0-
EIB	ALASKA TIMBER					-0-			-0-			-0-
EIB	ALYESKA CANDY KITCHEN			-0-					-0-			-0-
SIB	AMERICAN EAGLE	-0-	-0-						-0-			-0-
SVC	ANCHOR RENEWABLE FARMS			-0-					-0-			-0-
SVC	ANCHORAGE TANK						364,059		364,059			364,059
SIB	ARCTIC FROST	-0-				-0-			-0-			-0-
RVC	BALL BROTHERS	994,095	2,253,848						3,247,943	500,000	40%	3,747,943
RVC	BALL, ALBERT	2,329							2,329			2,329
RVC	BALL, GERALD	434							434			434
RVC	BALL, NEWTON	-0-							-0-			-0-
SIB	CLARK, INC.		-0-						-0-			-0-
RVC	ICICLE SEAFOODS		-0-						-0-	⁰ 1,469,000	Est 28%	⁰ 1,469,000
EIB	KACHEMAK	-0-							-0-			-0-
SVC	KOKECHIK	174,296							174,296	490	49%	174,786
EVC	MASTERCRAFT				-0-				-0-			-0-
EVC	PACIFIC FOREST PROD.				-0-	-0-			-0-			-0-
EIB	PINES SAWMILL				-0-				-0-			-0-
SVC	RICE FUR FARM			101,523					101,523			101,523
RVC	SALAMATOF		1,900,000						1,900,000			1,900,000
SVC	SAYLES MARINE	95,126							95,126			95,126
EVC	SEAWARD SHIPYARD	124,932							124,932	150,000	22%	274,932
SVC	SMARAGD PARTNERS	-0-							-0-			-0-
SVC	STEIK ENTERPRISES				-0-				-0-			-0-
SVC	STERLING SEAFOODS	-0-							-0-	-0-		-0-
SVC	TRINITY RESOURCES								-0-	-0-		-0-
SIB	WYMAN	-0-							-0-			-0-
TOTALS:		1,391,212	4,153,848	101,523	-0-	-0-	364,059	-0-	6,010,642	2,119,490		8,130,132

11.23.88

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STEVE COWPER
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 9, 1989

The Honorable Tim Kelly
President of the Senate
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Senator Kelly:

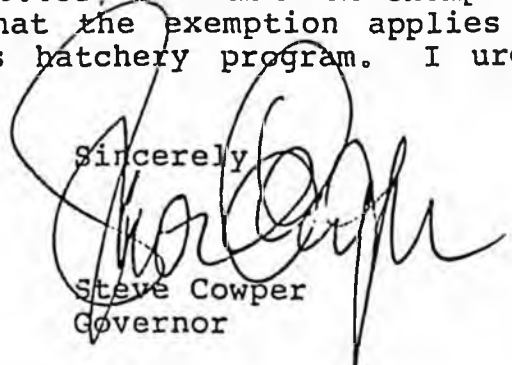
Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to the exemptions from the salmon enhancement tax imposed by AS 43.76. This bill is designed to clarify an ambiguity created through the enactment last session of AS 43.76.035.

Before the 1988 legislation was enacted, the practice of the Department of Revenue, in interpreting AS 43.76, was to exempt from the salmon enhancement tax salmon harvested under all special harvest area permits issued to hatcheries under AS 16.43.400. This practice exempted both regional and nonregional private, nonprofit hatcheries, on the basis that the tax is intended, for the most part, to benefit the state's hatchery program.

Last year's AS 43.76.035, however, codified the exemption only for regional aquaculture associations. Thus, by implication, that statute could be interpreted to repeal the exemption for those private, nonprofit hatcheries that are not run by regional aquaculture associations, thereby imposing a new tax burden of two or three percent on those hatcheries. The Department of Commerce and Economic Development has indicated that this added tax burden, if imposed, might affect the ability of these hatcheries to meet future loan payments.

We firmly believe that it was not the intent of the legislature, in passing AS 43.76.035, to limit the exemption, and this bill will clarify that the exemption applies to all hatcheries in the state's hatchery program. I urge your support of this measure.

Sincerely,


Steve Cowper
Governor

FISCAL NOTE

REQUEST:

Revision Date: October 25, 1988
 Title: Salmon Enhancement Tax: Hatchery Exemption.
 Sponsor: Rules Committee
 Requestor: Governor

Agency Affected: Revenue
 BRU: Income and Excise Audit

Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
OPERATING						
PERSONAL SERVICES		-0-	-0-	-0-	-0-	-0-
TRAVEL		-0-	-0-	-0-	-0-	-0-
CONTRACTUAL		-0-	-0-	-0-	-0-	-0-
SUPPLIES		-0-	-0-	-0-	-0-	-0-
EQUIPMENT		-0-	-0-	-0-	-0-	-0-
LANDS & STRUCTURES		-0-	-0-	-0-	-0-	-0-
GRANTS, CLAIMS		-0-	-0-	-0-	-0-	-0-
MISCELLANEOUS		-0-	-0-	-0-	-0-	-0-
TOTAL OPERATING		-0-	-0-	-0-	-0-	-0-
CAPITAL		-0-	-0-	-0-	-0-	-0-
REVENUE		-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS: See attached analysis.

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

Phone: (907) 465-2320
 Date: October 25, 1988

Approved by Commissioner: Hugh Malone
 Agency: Department of Revenue

Date: October 25, 1988

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

Prepared by: Steven E. Kettel
Director, Income & Excise Audit
October 25, 1988

Analysis:

The proposed legislation exempts all private nonprofit hatcheries from salmon enhancement tax liability. The bill is necessary to correct an ambiguity that was created through the enactment last year of AS 43.76.035. Prior to enactment of Section 035, the Department practice was to exempt all salmon harvested under all special harvest permits issued under AS 16.43.400. This exempted both regional and nonregional private, nonprofit hatcheries. Section .035 however, codified the exemption only for regional aquaculture associations, and could be construed to repeal the exemption for private nonprofit hatcheries. This legislation expands the exemption to cover private nonprofit hatcheries.

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: Exemption of hatcheries
from salmon enhancement tax
Sponsor: Rules Committee
Requestor: Governor

Agency Affected: Dept. Fish and Game
BRU: FRED
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

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

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

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Dr. Brian Allee, Director
Division: FRED
Approved by Commissioner: *Orin Halvorsen*
Agency: Department of Fish and Game

Phone: 465-4160
Date: 10/19/88
Date: 10/19/88

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

Added 10/19/88

S B

119

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: Unitary Tax
Sponsor: Rules Committee
Requestor: Governor

Agency Affected: Commerce & Econ. Dev.
BRU: Division of Banking, Securities
and Corporations
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

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

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

FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Willis F. Kirkpatrick, Director Phone: 465-2521
Division: Banking, Securities and Corporations Date: 01/09/1989

Approved by Commissioner: Larry Mercurieff Date: 01/09/1989
Agency: Dept. of Commerce & Economic Development

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

Changes in CSSB 119 (Fin)
have no fiscal impact.
This fiscal note is
appropriate. 3/23/90

No fiscal impact is
expected through 1996.

STEVE COWPER
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 17, 1989

The Honorable Tim Kelly
President of the Senate
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Senator Kelly:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to the methods of corporate income tax reporting for certain taxpayers. This bill requires that corporations that are members of affiliated groups owned by foreign corporate parents file returns based on the "water's edge" method, instead of the "worldwide" method of tax accounting. The "water's edge" method is a taxing method that takes into consideration only the domestic activities of foreign corporations and does not consider income from their non-American operations.

The "worldwide" method of tax accounting has many virtues, but it is intensely disliked by most potential investors overseas. Virtually every other state that used the "worldwide" method has repealed it in recent years in order to increase investment and trade opportunities. There is simply no reason why Alaska should keep this barrier to investment on the books when other states have repealed it.

The next century, it is said, will be the era of the Pacific Rim. Alaska is strategically placed to participate fully in the booming economies of the region. I believe that we must take every step possible to encourage trade and investment in Alaska. This bill will remove a major psychological barrier to investment in the state while having only a minimal fiscal impact. I urge your prompt and favorable consideration of this bill.

Sincerely,

A handwritten signature in dark ink, appearing to read "Steve Cowper".

Steve Cowper
Governor

Transmittal Letter

Alaska State Legislature

Senate Resources Committee

Senator Bettye Fahrenkamp, Chairman

Senator Jay Kertula, Vice Chairman
Senator Dick Eliason
Senator Steve Frank
Senator Rick Hallford
Senator Arliss Sturqulewski
Senator Fred Zhamif



P.O. Box V
Juneau, Alaska 99811
(907) 465-4907

SENATE RESOURCES COMMITTEE LETTER OF INTENT FOR SB 119

This bill will require multinational firms with foreign parents to file Alaska corporate tax returns using the water's edge method. The ability to use the water's edge method has been sought by foreign firms contemplating investments in Alaska, and by Keidanren, the umbrella organization of Japanese business and economic interests. The committee believes the change proposed in this bill will remove a barrier to greater foreign investment in Alaska.

Under SB 119 (and under current law), firms with domestic (U.S.) parents are not permitted to use the water's edge filing method. The committee considered arguments for extending the water's edge method to domestic firms, but rejected such an extension. Water's edge accounting entails very little state revenue loss when applied only to firms with foreign parents, but would cause a loss of \$3-6 million annually if applied to all multinational firms doing business in Alaska. Testimony before the Senate Resources Committee failed to demonstrate that additional investment would flow to Alaska from domestic firms as a consequence of allowing them water's edge filing, or that such additional investment would justify the revenue loss.

It is the intent of the committee that the administration continue to monitor the potential impacts of extending the water's edge method to all multinational corporations. Further, it is the intent of the committee that the administration notify the appropriate legislative committees if it appears that significant new domestic investment would occur as a result of the change.

Letter of Intent S (Res)

STATE OF ALASKA
1989 LEGISLATIVE SESSION

BILL VERSION: SB 119 (a)
PUBLISH DATE: 1/17/89

FISCAL NOTE

REQUEST: _____

Revision Date: January 9, 1989
Title: Alaskan Corporate Taxpayers with Foreign Parent Corporations
Sponsor: Rules Committee
Requestor: Governor

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

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
OPERATING						
PERSONAL SERVICES	-	-	-	-	-	-
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	-	-	-	-	-
SUPPLIES	-	-	-	-	-	-
EQUIPMENT	-	-	-	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-	-	-	-	-	-
CAPITAL	-	-	-	-	-	-
REVENUE	0	(60.0)	(60.0)	(60.0)	(60.0)	(60.0)

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS: See attached analysis.

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

Carl Hoyer for

Phone: (907) 465-2320
Date: January 9, 1989

Approved by Commissioner: Hugh Malone
Agency: Department of Revenue

H Malone

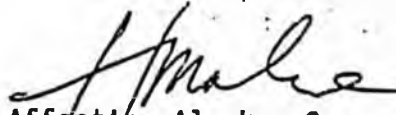
Date: January 9, 1989

Distribution (by preparer):

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

SB 119 (a)
1/17/89

Prepared by: John Larson and
Steve Kettel
Alaska Department of Revenue



Fiscal Note Analysis: Legislation Affecting Alaskan Corporate Taxpayers
with Foreign Parent Corporations

The proposed legislation would require corporate income taxpayers with foreign parents to file on a water's edge combined basis beginning in calendar year 1989. The legislation would not affect taxpayers who currently file under AS 43.20.072 (Oil and Gas Producers and Pipelines). Nor would it affect Alaska corporations which do not have foreign operations. The total number of taxpayers affected and the total tax liability of these taxpayers are small.

In order to derive an estimate of the possible revenue impact of this proposed legislation the Department analyzed tax returns filed for the most recent tax year available - 1986. For tax year 1986 staff identified the tax returns of taxpayers with foreign parents. This methodology was designed to determine the potential revenue impact from only those taxpayers currently operating in Alaska. The Department did not estimate the potential revenue impact of incremental business activity in Alaska by corporations with foreign parents which may be induced by this proposed legislation.

Based on an analysis of the taxpayers which were identified as possibly being affected by the proposed legislation, the maximum tax liability decrease for tax year 1986 would have been no greater than \$60,000.

SB 119
Modifying the Unitary Tax

Briefing materials
provided to the:

Alaska State Senate
Resources Committee
Senator Bettye Fahrenkamp, Chairman

Office of the Governor
Division of Policy
February 23, 1989

Annotated Table of Contents

Basic source materials

- Tab 1. SB 119, "An Act relating to required reporting methods for corporate income taxes...", with a summary and sectional analysis.
- Tab 2. Governors transmittal letter on SB 119.
- Tab 3. Fiscal note on SB 119.
- Tab 4. Excerpt from the Governor's State of the State address, January 20, 1987, relating to the unitary tax issue.

Materials advocating elimination of the worldwide unitary tax system.

- Tab 5. "A Japanese Perspective--Is Worldwide Unitary Fair?" by Mitsuru Misawa, Industrial Bank of Japan, from *Sloan Management Review*, Winter 1985.
- Tab 6. "Walk Softly or Carry a Big Carrot," by Paul Laird, *Alaska Business Monthly*, February 1987.

Briefing materials provided by the Department of Revenue.

- Tab 7. "Water's Edge Combination--Opportunity for Uniformity?" published by the Multistate Tax Commission, no date.
- Tab 8. "Economic Development and Alaska's Corporate Income Tax: Reviewing the Options," a briefing paper prepared for Governor Cowper by the Department of Revenue, September 4, 1987.

Recent Japanese contacts and comments on Alaska's unitary tax.

- Tab 9. "Investment From Japan Essential to Diversification of [Alaska and Hawaii] State Economies," by Hideo Ishihara, Managing Director, Industrial Bank of Japan, and leader of the Keidanren mission to Alaska and Hawaii, from *Keidanren Review*, October 1988.
- Tab. 10. Keidanren Investment Mission to the United States of America, Alaska and Hawaii, September 1988, list of participants.

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Tab 11. Testimony of Sadami (Chris) Wada, Senior Vice President, Sony Corporation of America, in support of SB-119.

Materials prepared by the Staff Working Group on Unitary Taxation.

Tab 12. Attachments A-E to memo notifying members of Sept 15 working group meeting, September 10, 1987. Includes the working group's initial list of unitary options and other background data.

1 IN THE SENATE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2

SENATE BILL NO. 119

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SIXTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to required reporting methods for
7 corporate income taxes owed by members of an affili-
8 ated group whose common parent is a corporation
9 incorporated outside the United States; and providing
10 for an effective date."

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

12 * Section 1. It is the purpose of this Act to promote investment and
13 trade opportunities in the state.

14 * Sec. 2. AS 43.20 is amended by adding a new section to read:

15 Sec. 43.20.073. AFFILIATED GROUPS. (a) A corporation that is a
16 member of an affiliated group whose common parent is a corporation
17 incorporated outside the United States shall file a return using the
18 water's edge combined reporting method. A return under this section
19 shall include the following corporations if they are a part of a
20 unitary business:

21 (1) corporations included or includable in a consolidated
22 return for federal corporate income tax purposes;

23 (2) corporations incorporated in or doing business in any
24 state or United States possession or territory;

25 (3) domestic international sales corporations and foreign
26 sales corporations; and

27 (4) tax haven corporations.

28 (b) The department may require a corporation filing under this
29 section to file a worldwide combined report if