

**CS FOR HOUSE BILL NO. 184(CRA)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SEVENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

Offered: 2/10/12

Referred: Finance

Sponsor(s): REPRESENTATIVES PEGGY WILSON, Thompson, Dick

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to the sharing of tax revenue from the fisheries business tax and  
2 fishery resource landing tax with municipalities and to municipal reports relating to the  
3 shared tax revenue; and providing for an effective date."

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

5 \* **Section 1.** The uncodified law of the State of Alaska is amended by adding a new section  
6 to read:

7 LEGISLATIVE INTENT. It is the intent of the legislature that municipalities use the  
8 additional revenue distributed under this Act to help maintain and improve their harbor  
9 facilities.

10 \* **Sec. 2.** AS 43.75.130(a) is amended to read:

11 (a) **Subject to appropriation by the legislature, and** except as provided in  
12 (d) of this section, the commissioner shall pay

13 (1) to each unified municipality and to each city located in the  
14 unorganized borough, **75** [50] percent of the amount of tax revenue collected in the

1 municipality from taxes levied under this chapter;

2 (2) to each city located within a borough, 37.5 [25] percent of the  
3 amount of tax revenue collected in the city from taxes levied under this chapter; and

4 (3) to each borough

5 (A) 75 [50] percent of the amount of tax revenue collected in  
6 the area of the borough outside cities from taxes levied under this chapter; and

7 (B) 37.5 [25] percent of the amount of tax revenue collected in  
8 cities located within the borough from taxes levied under this chapter.

9 \* **Sec. 3.** AS 43.75.130(d) is amended to read:

10 (d) Notwithstanding the provisions of (a)(2) and (a)(3)(B) of this section, **and**  
11 **subject to appropriation by the legislature,** the commissioner shall pay

12 (1) to each city that is located in a borough incorporated after June 16,  
13 1987, the following percentages of the tax revenue collected in the city from taxes  
14 levied under this chapter:

15 (A) 67.5 [45] percent of the taxes collected during the calendar  
16 year in which the borough is incorporated;

17 (B) 60 [40] percent of the taxes collected during the first  
18 calendar year after the calendar year in which the borough is incorporated;

19 (C) 52.5 [35] percent of the taxes collected during the second  
20 calendar year after the calendar year in which the borough is incorporated; and

21 (D) 45 [30] percent of the taxes collected during the third  
22 calendar year after the calendar year in which the borough is incorporated; and

23 (2) to each borough that is incorporated after June 16, 1987, the  
24 following percentages of the tax revenue collected in the cities located within the  
25 borough from taxes levied under this chapter:

26 (A) 7.5 [5] percent of the taxes collected during the calendar  
27 year in which the borough is incorporated;

28 (B) 15 [10] percent of the taxes collected during the first  
29 calendar year after the calendar year in which the borough is incorporated;

30 (C) 22.5 [15] percent of the taxes collected during the second  
31 calendar year after the calendar year in which the borough is incorporated; and

1 (D) **30** [20] percent of the taxes collected during the third  
2 calendar year after the calendar year in which the borough is incorporated.

3 \* **Sec. 4.** AS 43.75.130(g) is amended to read:

4 (g) In this section, "tax revenue collected" **means the revenue collected by**  
5 **the department from taxes levied under this chapter on the value of fishery**  
6 **resources that are either (1) processed in a municipality; or (2) first landed in a**  
7 **municipality and exported from the state without being processed in the state;**  
8 **"tax revenue collected"** includes the amount credited against taxes under  
9 AS 43.75.018.

10 \* **Sec. 5.** AS 43.75.137 is amended to read:

11 **Sec. 43.75.137. Additional refund. Subject to appropriation by the**  
12 **legislature** [TO THE EXTENT THAT APPROPRIATIONS ARE AVAILABLE FOR  
13 THE PURPOSE, AND NOTWITHSTANDING THE REQUIREMENT OF  
14 AS 37.07.080(e) THAT APPROVAL OF THE OFFICE OF MANAGEMENT AND  
15 BUDGET IS REQUIRED], an amount equal to **75** [50] percent of the tax revenue that  
16 is collected under this chapter from fisheries businesses and **that** is not subject to  
17 division with a municipality under AS 43.75.130 shall be **paid by** [TRANSMITTED  
18 EACH FISCAL YEAR, WITHOUT THE APPROVAL OF THE OFFICE OF  
19 MANAGEMENT AND BUDGET, BY THE DEPARTMENT TO] the Department of  
20 Commerce, Community, and Economic Development [FOR DISBURSAL] to eligible  
21 municipalities under AS 29.60.450.

22 \* **Sec. 6.** AS 43.75 is amended by adding a new section to article 3 to read:

23 **Sec. 43.75.150. Municipal reports to the legislature.** (a) Not more than 10  
24 days after the convening of each regular legislative session, a municipality that  
25 receives tax revenue under AS 43.75.130 - 43.75.137 shall prepare and submit to the  
26 legislature a report that describes

27 (1) how those funds were used by the municipality in the previous  
28 fiscal year; and

29 (2) any harbor maintenance or improvement projects that were funded  
30 in whole or in part by the tax revenue collected under AS 43.75.130 - 43.75.137.

31 (b) The report required under (a) of this section may be made jointly with the

1 report required under AS 43.77.060(f).

2 \* **Sec. 7.** AS 43.77.060(a) is amended to read:

3 (a) Subject to appropriation by the legislature and except as provided in (b) of  
4 this section, the commissioner shall pay to each

5 (1) unified municipality and to each city located in the unorganized  
6 borough, 75 [50] percent of the amount of tax revenue collected from taxes levied  
7 under this chapter on the fishery resource landed in the municipality and accounted for  
8 under AS 43.77.050(b);

9 (2) city located within a borough, 37.5 [25] percent of the amount of  
10 the tax revenue collected from taxes levied under this chapter on fishery resources  
11 landed in the city and accounted for under AS 43.77.050(b); and

12 (3) borough

13 (A) 75 [50] percent of the amount of the tax revenue collected  
14 from taxes levied under this chapter on fishery resources landed in the area of  
15 the borough outside cities and accounted for under AS 43.77.050(b); and

16 (B) 37.5 [25] percent of the amount of the tax revenue collected  
17 from taxes levied under this chapter on fishery resources landed in cities  
18 located within the borough and accounted for under AS 43.77.050(b).

19 \* **Sec. 8.** AS 43.77.060(b) is amended to read:

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

22 (1) city that is located in a borough incorporated after January 1, 1994,  
23 the following percentages of the tax revenue collected from taxes levied under this  
24 chapter on fishery resources landed in the city and accounted for under  
25 AS 43.77.050(b):

26 (A) 67.5 [45] percent of the tax revenue collected during the  
27 calendar year in which the borough is incorporated;

28 (B) 60 [40] percent of the tax revenue collected during the first  
29 calendar year after the calendar year in which the borough is incorporated;

30 (C) 52.5 [35] percent of the tax revenue collected during the  
31 second calendar year after the calendar year in which the borough is

1 incorporated; and

2 (D) 45 [30] percent of the tax revenue collected during the third  
3 calendar year after the calendar year in which the borough is incorporated; and

4 (2) borough that is incorporated after January 1, 1994, the following  
5 percentages of the tax revenue collected from taxes levied under this chapter on  
6 fishery resources landed in the cities located within the borough and accounted for  
7 under AS 43.77.050(b):

8 (A) 7.5 [FIVE] percent of the tax revenue collected during the  
9 calendar year in which the borough is incorporated;

10 (B) 15 [10] percent of the tax revenue collected during the first  
11 calendar year after the calendar year in which the borough is incorporated;

12 (C) 22.5 [15] percent of the tax revenue collected during the  
13 second calendar year after the calendar year in which the borough is  
14 incorporated; and

15 (D) 30 [20] percent of the tax revenue collected during the third  
16 calendar year after the calendar year in which the borough is incorporated.

17 \* **Sec. 9.** AS 43.77.060(d) is amended to read:

18 (d) Subject to appropriation by the legislature [TO THE EXTENT THAT  
19 APPROPRIATIONS ARE AVAILABLE FOR THE PURPOSE, AND  
20 NOTWITHSTANDING THE REQUIREMENT OF AS 37.07.080(e) THAT  
21 APPROVAL OF THE OFFICE OF MANAGEMENT AND BUDGET IS  
22 REQUIRED], an amount equal to 75 [50] percent of the tax revenue that is collected  
23 under this chapter and that is not subject to division with a municipality under (a) - (c)  
24 of this section shall be paid by [TRANSMITTED EACH FISCAL YEAR,  
25 WITHOUT THE APPROVAL OF THE OFFICE OF MANAGEMENT AND  
26 BUDGET, BY THE DEPARTMENT TO] the Department of Commerce, Community,  
27 and Economic Development [FOR DISBURSAL] to eligible municipalities under  
28 AS 29.60.450.

29 \* **Sec. 10.** AS 43.77.060 is amended by adding a new subsection to read:

30 (f) Not more than 10 days after the convening of each regular legislative  
31 session, a municipality that receives tax revenue under this section shall prepare and

1 submit to the legislature a report that describes how those funds were used by the  
2 municipality in the previous fiscal year and that details any harbor maintenance or  
3 improvement projects that were funded in whole or in part by that tax revenue. The  
4 report may be made jointly with the report required under AS 43.75.150.

5 \* **Sec. 11.** The uncodified law of the State of Alaska is amended by adding a new section to  
6 read:

7 APPLICABILITY. This Act applies to tax revenue collected by the Department of  
8 Revenue under AS 43.75 and AS 43.77 for the 2012 tax year and subsequent tax years.

9 \* **Sec. 12.** Sections 6 and 10 of this Act take effect February 1, 2013.

10 \* **Sec. 13.** Except as provided in sec. 12 of this Act, this Act takes effect January 1, 2013.