

SENATE BILL NO. 63

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FIRST LEGISLATURE - FIRST SESSION

BY THE SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

Introduced: 2/18/19

Referred: Community and Regional Affairs, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act repealing the fisheries business tax allocation to municipalities; repealing the
2 refunds to local governments of fisheries business taxes; repealing revenue sharing for
3 the fishery resource landing tax; providing for an effective date by amending the
4 effective date of sec. 36, ch. 61, SLA 2014; and providing for an effective date."

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

6 * **Section 1.** AS 29.60.800(a) is amended to read:

7 (a) There is established the harbor facility grant fund consisting of money
8 appropriated to the fund. Each fiscal year, the legislature may appropriate money to
9 the fund from the watercraft fuel tax account (AS 43.40.010(f)) and from the fisheries
10 business tax collected under AS 43.75.015 [AFTER PAYMENTS TO
11 MUNICIPALITIES ARE MADE UNDER AS 43.75.130]. The legislature may make
12 other appropriations to the fund. The legislature may appropriate to the fund income
13 earned on money in the fund.

14 * **Sec. 2.** AS 29.60.810 is amended to read:

1 **Sec. 29.60.810. Grant applications.** A municipality or regional housing
 2 authority that owns a harbor facility may submit to the Department of Transportation
 3 and Public Facilities an application for a harbor facility grant to be used for
 4 construction, expansion, major repair, or major maintenance of a harbor facility. The
 5 application must include information about the project requested by the department.
 6 For a proposed project to be eligible for a grant, the municipality or regional housing
 7 authority must provide evidence acceptable to the department that the

8 (1) proposed project is a capital improvement project and not part of a
 9 preventive maintenance program or regular custodial care program;

10 (2) municipality or regional housing authority will provide 50 percent
 11 of the total project cost as matching funds for the state grant and that money received
 12 by the municipality or regional housing authority from the state will not be used for
 13 the matching funds except money received under

14 (A) AS 29.60.850 - 29.60.879 (community assistance
 15 program);

16 (B) [AS 29.60.450, AS 43.75.130, AND 43.75.137 (SHARED
 17 FISHERIES BUSINESS TAXES);

18 (C)] AS 43.52.200 - 43.52.295 (excise tax on overnight
 19 accommodations on commercial passenger vessels); and

20 (C) [(D)] a transfer agreement between the state and a
 21 municipality for a sale under AS 35.10.120;

22 (3) municipality or regional housing authority has secured and will
 23 maintain adequate property loss insurance for the replacement cost of the harbor
 24 facility or has an adequate program of insurance;

25 (4) municipality or regional housing authority has a preventive
 26 maintenance plan for the harbor facility and will be adequately adhering to the
 27 preventive maintenance plan after completion of the proposed project.

28 * **Sec. 3.** AS 43.77.015(b) is amended to read:

29 (b) An obligation imposed by a contract subject to sec. 210(f), American
 30 Fisheries Act, P.L. 105-277, shall be treated as if it were a tax under this chapter for
 31 purposes of AS 43.77.020. [A PAYMENT MADE TO SATISFY THE OBLIGATION

1 IMPOSED BY THE CONTRACT SHALL BE TREATED AS IF IT WERE TAX
 2 REVENUE COLLECTED UNDER THIS CHAPTER FOR PURPOSES OF
 3 AS 43.77.060.]

4 * **Sec. 4.** AS 43.77.050(b) is amended to read:

5 (b) The tax collected under this chapter shall be paid into a separate account in
 6 the general fund. [THE ANNUAL BALANCE IN THE ACCOUNT MAY BE
 7 APPROPRIATED BY THE LEGISLATURE FOR REVENUE SHARING UNDER
 8 AS 43.77.060. THE AMOUNT OF ALL TAX CREDITS APPROVED BY THE
 9 COMMISSIONER UNDER AS 43.77.040(b) SHALL BE DEDUCTED FROM
 10 AMOUNTS PAID TO MUNICIPALITIES UNDER AS 43.77.060(a) - (c).]

11 * **Sec. 5.** AS 29.60.450; AS 43.75.130, 43.75.133, 43.75.137, and AS 43.77.060 are
 12 repealed.

13 * **Sec. 6.** Section 3, ch. 57, SLA 2003, is amended to read:

14 Sec. 3. AS 43.75.035 and [,] 43.75.036 [, AND 43.75.130(g)] are repealed.

15 * **Sec. 7.** Section 16, ch. 61, SLA 2014, is repealed.

16 * **Sec. 8.** Section 21, ch. 61, SLA 2014, is amended to read:

17 Sec. 21. AS 21.66.110(b); AS 21.96.070, 21.96.075(c)(2); AS 43.05.010(15);
 18 AS 43.20.014; AS 43.55.019; AS 43.56.018; AS 43.65.018; AS 43.75.018; and [,]
 19 43.75.130(g);] AS 43.77.045 [, AND 43.77.060(e)] are repealed.

20 * **Sec. 9.** Section 22, ch. 61, SLA 2014, is amended to read:

21 Sec. 22. AS 43.75.035 is [AND 43.75.130(f) ARE] repealed.

22 * **Sec. 10.** The uncodified law of the State of Alaska is amended by adding a new section to
 23 read:

24 APPLICABILITY. Sections 1 - 5 of this Act apply to allocations and refunds to
 25 municipalities based on fisheries businesses and resource taxes under AS 43.75 and AS 43.77
 26 levied on and after January 1, 2018, and no allocations or refunds will be made to
 27 municipalities during fiscal year 2020.

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

30 TRANSITION: REGULATIONS. The Department of Revenue may adopt regulations
 31 necessary to implement the changes made by this Act. The regulations take effect under

1 AS 44.62 (Administrative Procedure Act), but not before the effective date of the law
2 implemented by the regulation.

3 * **Sec. 12.** The uncodified law of the State of Alaska is amended by adding a new section to
4 read:

5 RETROACTIVITY OF REGULATIONS. Notwithstanding any contrary provision of
6 AS 44.62.240, if the Department of Revenue expressly designates in a regulation that the
7 regulation applies retroactively, a regulation adopted by the Department of Revenue to
8 implement, interpret, make specific, or otherwise carry out this Act may apply retroactively to
9 the effective date of the law implemented by the regulation.

10 * **Sec. 13.** The uncodified law of the State of Alaska is amended by adding a new section to
11 read:

12 RETROACTIVITY. Sections 1 - 5 of this Act are retroactive to January 1, 2019.

13 * **Sec. 14.** Section 36, ch. 61, SLA 2014, is amended to read:

14 Sec. 36. **Section** [SECTIONS 16 AND] 23 of this Act **takes** [TAKE] effect
15 December 31, 2020.

16 * **Sec. 15.** Section 6 of this Act takes effect on the effective date of sec. 3, ch. 57, 2003.

17 * **Sec. 16.** Section 8 of this Act takes effect on the effective date of sec. 21, ch. 61, SLA
18 2014.

19 * **Sec. 17.** Section 9 of this Act takes effect on the effective date of sec. 22, ch. 61, SLA
20 2014.

21 * **Sec. 18.** Except as provided in secs. 15 - 17 of this Act, this Act takes effect immediately
22 under AS 01.10.070(c).