

SENATE BILL NO. 198

IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-NINTH LEGISLATURE - SECOND SESSION

BY SENATOR DUNLEAVY

Introduced: 2/22/16

Referred: Resources, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act establishing a 12.5 percent Alaska fisheries royalty on seafood caught**
2 **commercially in the state; and providing for an effective date."**

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

4 *** Section 1.** AS 43.75.055(c) is amended to read:

5 (c) An applicant may elect to avoid the requirements of (a) and (b) of this
6 section if the applicant

7 (1) files a report as prescribed by the department and pays the taxes
8 due under this chapter on or before the 15th day of the month following the month in
9 which liability for the payment of the taxes was incurred;

10 (2) pays the taxes, [AND] assessments, and royalty for which the
11 applicant is liable under AS 16.51, AS 43.76, and AS 43.77 on or before the 15th day
12 of the month following the month in which the liability for the payment of the taxes,
13 [OR] assessments, or royalty was incurred;

14 (3) remits to the department the taxes, [AND] assessments, and

1 **royalty** that the applicant is required to collect under AS 43.76 on or before the 15th
 2 day of the month following the month in which the taxes, [OR] assessments, **and**
 3 **royalty** were required to be collected; and

4 (4) either

5 (A) files a bond in the amount of \$50,000; or

6 (B) provides the department with proof that the applicant is the
 7 owner of lienable real property in the state of a value of at least \$100,000.

8 * **Sec. 2.** AS 43.76 is amended by adding new sections to read:

9 **Article 6. Alaska Fisheries Royalty.**

10 **Sec. 43.76.400. Alaska fisheries royalty.** A person holding a limited entry
 11 permit or interim-use permit under AS 16.43 shall pay a royalty of 12.5 percent on the
 12 value of fish caught in state water that the person removes from the state or transfers
 13 to a buyer in the state under the authority conferred by the limited entry permit or
 14 interim-use permit. The buyer shall collect the royalty at the time the fish is acquired
 15 by the buyer.

16 **Sec. 43.76.405. Collection of royalty.** (a) Except as otherwise provided under
 17 (f) of this section, a buyer who acquires fish that are subject to the royalty imposed
 18 under AS 43.76.400 shall collect the royalty at the time of purchase and shall remit the
 19 total royalty collected during each month to the department by the last day of the next
 20 month.

21 (b) A buyer who collects a royalty shall

22 (1) maintain records of the value of fish purchased in the state that
 23 were subject to the royalty;

24 (2) report the total value of the fish acquired during the preceding year
 25 that were subject to the royalty to the department by March 1 of each year.

26 (c) A person taking, purchasing, or otherwise acquiring fish caught
 27 commercially in state water that have not been subject to the royalty imposed under
 28 AS 43.76.400 is subject to the royalty on the value of the fish. If a person is liable for
 29 payment of the royalty under this subsection, the person shall comply with the
 30 requirements imposed on a buyer under (a) and (b) of this section to remit the royalty
 31 to the department, to maintain records, and to report to the department.

1 (d) A royalty collected under this section shall be deposited in the general
2 fund. The department shall separately account for the amounts collected and interest
3 accrued on the amounts collected under AS 43.76.400.

4 (e) The provisions of AS 43.05 and AS 43.10 apply as if the royalty imposed
5 under AS 43.76.400 - 43.76.410 is a tax.

6 (f) A direct marketing fisheries business licensed under AS 43.75.020(c) or a
7 commercial fisherman who transfers possession of fish to a buyer who is not a
8 fisheries business licensed under AS 43.75 is liable for the payment of the royalty
9 imposed under AS 43.76.400 if, at the time possession of the fish is transferred to a
10 buyer, the royalty payable on the fish has not been collected. If a direct marketing
11 fisheries business or commercial fisherman is liable for payment of the royalty under
12 this subsection, the direct marketing fisheries business or commercial fisherman shall
13 comply with the requirements imposed under (b) of this section to maintain records
14 and report the value of fish acquired during the preceding year. Notwithstanding (a) of
15 this section, a person subject to this subsection shall remit the total royalty payable
16 during the calendar year to the Department of Revenue before April 1 after close of
17 the calendar year.

18 **Sec. 43.76.410. Definitions.** In AS 43.76.400 - 43.76.410,

19 (1) "buyer" has the meaning given in AS 43.76.320;

20 (2) "value" has the meaning given in AS 43.75.290.

21 * **Sec. 3.** This Act takes effect March 31, 2017.