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## Alaska Supreme Court Reduces Judgment by \$50 Million

January 20, 2012, Anchorage, Alaska - A unanimous Alaska Supreme Court decided today in the State v. Carlson case to cut approximately \$50 million from a judgment awarded to nonresident commercial fishermen who had filed a class action lawsuit against the Alaska Commercial Fisheries Entry Commission. In so doing, the court overturned one of its own earlier decisions in the case, which had ordered the state to pay the interest rate that applies to delinquent taxes—11 percent compounded quarterly. In today's decision, the court substituted the standard prejudgment interest rate for court judgments.

The case was filed in 1984 by non-Alaskan commercial fishermen who disputed the higher commercial fishing fees that Alaska charged to nonresidents. The state was ordered to refund some of the fees after the court found that while the state can charge higher fees to nonresidents, the additional payment must be related to the nonresidents' share of the state's cost of managing Alaska's commercial fisheries. The amount of overpaid fees that the state was ordered to refund was approximately \$12.5 million and the interest initially awarded for this judgment was about \$62 million. Under today's decision, the interest will be reduced to about \$12 million.

This is the fifth time the Alaska Supreme Court has heard an appeal in this case. The court issued earlier decisions in 1990, 1996, 2003, and 2008. In these earlier decisions, the court decided that nonresidents can be charged a higher rate, determined the elements of the fisheries budget that were relevant to calculating the appropriate rate, and set the prejudgment interest rate that would apply to an overpayment. In today's opinion, the court reconsidered and overturned that interest rate decision, which it made in the third appeal ("Carlson III").

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