



KENAI PENINSULA BOROUGH

Office of Emergency Management

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JOHN J. WILLIAMS
MAYOR

Memorandum

TO: Grace Merkes, Assembly President
Members of the Kenai Peninsula Borough Assembly

THRU: John J. Williams, Borough Mayor

FROM: Craig Chapman, Finance Director

DATE: October 16, 2008

SUBJECT: Ordinance No. 2008-19-33: Appropriating \$720,357.50 in Cruise Ship Passenger Tax proceeds received from the State of Alaska to the City of Seward for port improvements

The Alaska legislature enacted SB 256 and HB 310 that authorized sharing calendar 2007 and 2008 Commercial Passenger Vessel (CPV) excise tax collections. CPV excise tax collections are primarily derived from taxes imposed on cruise ship passengers.

During FY2008, the Borough received \$383,652.50 from the State of Alaska for the 2007 calendar CPV program.

A similar amount is expected to be received in FY2009 for the 2008 calendar CPV program. This ordinance is being prepared to include the appropriation of those funds, which are estimated at \$336,705 based upon 2008 passenger counts of 134,682. This portion of the ordinance would be subject to the receipt of those funds from the State of Alaska.

The City of Seward has requested that funds received by the Borough be appropriated to them where they will be used to improve port security and fire protection for cruise ships docking in Seward.

The intended use of these funds by the City of Seward complies with federal legislation and court rulings that permit the use of these funds for piloting services, wharfage services, and general harbor service such as police and fire protection

FINANCE DEPARTMENT - FUNDS VERIFIED
AMOUNT: \$720,357.50

Account: 100.00000.00000.27910 \$383,652.50
100.00000.00000.34225 \$336,705.00 (subject to receipt of funds from the State of Alaska)

By: _____ Date: _____