

Introduced by: Mayor
Date: 10/28/08
Hearing: 12/02/08
Action: Amended by Ordinance 2008-19-33 (Mayor's) Substitute
Vote: 7 Yes, 0 No, 2 Absent

**KENAI PENINSULA BOROUGH
ORDINANCE 2008-19-33**

**AN ORDINANCE APPROPRIATING \$720,357.50 IN CRUISE SHIP PASSENGER TAX
PROCEEDS RECEIVED FROM THE STATE OF ALASKA TO THE CITY OF
SEWARD FOR PORT IMPROVEMENTS**

- WHEREAS,** in the August 22, 2006 State election, the voters approved the initiative in Ballot Measure 2 enacting AS 43.52.010-.060 (subsequently renumbered AS 43.52.200-.295), which imposed a tax on travel aboard cruise ships; and
- WHEREAS,** the Alaska legislature enacted SB 256 and HB310 that authorized sharing calendar 2007 and 2008 Commercial Passenger Vessel (CPV) excise tax collections with the first five ports of call in the State of each vessel; and
- WHEREAS,** CPV excise tax collections are primarily derived from taxes imposed on cruise ship passengers; and
- WHEREAS,** the amount received in FY2008 by the Borough from the State of Alaska for the 2007 calendar CPV program was \$383,652.50; and
- WHEREAS,** the Borough expects to receive \$336,705 from the State of Alaska for the 2008 calendar CPV program based upon passenger count of 134,682; and
- WHEREAS,** the City of Seward has requested that funds received by the Borough be appropriated to it to be used for improving port security and fire protection for cruise ships docking in Seward; and
- WHEREAS,** the borough is required by AS 43.52.230(b) to use the funds in a manner calculated to improve port and water facilities and other services to properly provide for vessel or watercraft visits and to enhance the safety and efficiency of interstate and foreign commerce; and
- WHEREAS,** the intended use of these funds by the City of Seward will comply 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; and

WHEREAS, transferring these funds to the City of Seward for its proposed uses would comply with the legal requirements for the use of these funds;

NOW, THEREFORE, BE IT ORDAINED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:

SECTION 1. That \$383,652.50 received from the State of Alaska in FY2008 for the commercial passenger vessel excise tax collection program be appropriated in FY2009 to account 100.94910.00000.43011, contract services, from the Borough's General Fund, fund balance for payment to the City of Seward to be used to improve port security and fire protection for cruise ships docking in Seward.

SECTION 2. Subject to the receipt of \$336,705 from the State of Alaska in FY2009 for the 2008 commercial passenger vessel excise tax collection program, account 100.00000.00000.34225, those funds are appropriated in FY2009 to account 100.94910.00000.43011, contract services, for payment to the City of Seward to be used to improve port security and fire protection for cruise ships docking in Seward.

SECTION 3. That this ordinance shall become effective immediately upon its enactment.

ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS * DAY OF * 2008.

Milli Martin, Assembly President

ATTEST:

Johni Blankenship, Borough Clerk

VOTE ON MOTION TO AMEND BY SUBSTITUTE:

Yes: Knopp, Long, Smalley, Smith, Sprague, Superman, Martin

No: None

Absent: Fischer, Pierce